

## AGENDA RESERVATION REQUEST

### CITY OF FRANKLIN COMMON COUNCIL

Please type or print

<b>Date Submitted:</b>	1/27/16	<b>Meeting Date:</b>	2/1/16
<b>Contact Information:</b>			
<b>Requested by:</b>	Krista Linke		
<b>On Behalf of Organization or Individual:</b>			
		84 Lumber Company	
<b>Telephone:</b>	317-736-3631		
<b>Email address:</b>	<a href="mailto:klinke@franklin.in.gov">klinke@franklin.in.gov</a>		
<b>Mailing Address:</b>	70 E. Monroe St., Franklin, IN 46131		
<b>Describe Request:</b>			
Resolution 2016-01: Declaratory Resolution Designating an Economic Revitalization Area for Pierce Hardly Limited Partnership and 84 Lumber Company			
<b>List Supporting Documentation Provided:</b>			
Memorandum			
Staff Report			
Resolution 2016-01			
Exhibit A			
<b>Who will present the request?</b>			
<b>Name:</b>	Krista Linke	<b>Telephone:</b>	317-736-3631

*The Franklin City Council meets on the 1st and 3rd Monday of each month at 6:00 p.m. in the Council Chambers of City Hall located at 70 E. Monroe Street. In order for an individual and/or agency to be considered for new business on the agenda, this reservation form and supporting documents must be received in the Mayor's office no later than 12:00 p.m. on the Wednesday before the meeting.*



## CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

# Memorandum

**To:** City Council  
**From:** Krista Linke, Director  
**Date:** January 27, 2016  
**Re:** ERA Designation, Real & Personal Property Tax Abatements

The City of Franklin Economic Development Commission (EDC) reviewed and acted on an ERA designation and real and personal property deduction requests from Pierce Hardy Limited Partnership and 84 Lumber Company, at a meeting held on January 12<sup>th</sup>, 2016. The board voted to forward a favorable recommendation to the City Council for a five-year personal property tax abatement and a seven-year real property tax abatement.

The property is currently designated an Economic Revitalization Area, but it soon expires. Therefore, two resolutions and two meetings are needed to create the Economic Revitalization Area. Resolution 2016-01 needs to be approved at the February 1<sup>st</sup> City Council Meeting. Resolution 2016-02 will confirm Resolution 2016-01 through a public hearing on March 7<sup>th</sup>.

Pierce Hardy Limited Partnership will own the property, so Resolution 2016-03 is for the real property tax abatement for Pierce Hardy Limited Partnership. The personal property tax abatement request for 84 Lumber Company will be handled through Resolution 2016-04. Once the Economic Revitalization Area has been established, the real and personal tax abatement requests can be heard at the March 7<sup>th</sup> City Council Meeting.

Attached to this memo are:

1. Case EDC 2016-01 Staff Report
2. Application and requested forms
3. Sample Tax Phase-In Savings Schedules
4. Resolution 2016-01 (to be heard at the February 1<sup>st</sup> meeting)
5. Exhibit A – Legal Description
6. Resolution 2016-02 (to be heard at the March 7<sup>th</sup> meeting)
7. Resolution 2016-03 (to be heard at the March 7<sup>th</sup> meeting)
8. Exhibit A – Legal Description
9. Exhibit B - Form SB-1 Real Property
10. Exhibit C – Real Property Abatement Schedule
11. Resolution 2016-04 (to be heard at the March 7<sup>th</sup> meeting)
12. Exhibit A – Legal Description
13. Exhibit B - Form SB-1 Personal Property

14. Exhibit C – Personal Property Abatement Schedule

If you have any questions regarding this request, please contact me directly at 346-1250.



## CITY OF FRANKLIN

DEPARTMENT OF COMMUNITY DEVELOPMENT

# Staff Report

**To:** Economic Development Commission Members

**From:** Krista Linke, Director

**Date:** January 7, 2016

**Re:** Case EDC 2016-01 – Pierce Hardy Limited Partnership and 84 Lumber Company

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**Case EDC 2015-01 – Pierce Hardy Limited Partnership and 84 Lumber Company:** A request for a 5-year tax abatement on \$1,750,000 in personal property and a 7-year abatement on \$650,000 in real property investment.

**Location:** 1850 N. Graham Road



## Summary:

### 1. Characteristics of this location:

A speculative 80,500 square foot manufacturing facility was built in 2005. Meadors & Associates acquired the property and built trusses and wall sections. The property was granted a 10 year tax abatement through Resolution 2005-13. This abatement was not tied to the creation of jobs or salaries. The last year for the abatement is 2015 pay 2016. Ed and Betty Meadors sold the property to Trussway, Ltd. In 2006. Trussway Ltd. closed this location in July of 2009.

### 2. Characteristics of this petitioner:

84 Lumber Company has been in existence since 1956 in Eighty Four, Pennsylvania. 84 Components was founded in 1985 and is the manufacturing division for 84 Lumber Company, a leading manufacturer of metal plate connected roof and floor trusses and wall panels. They currently operate multiple manufacturing facilities nationwide. Each 84 Component facility utilizes state of the art manufacturing technology and the latest design software, designed to cater to the specialized project needs of professional builders. Margaret H. Magerko owns both Pierce Hardy Limited Partnership and 84 Lumber Company through various trusts.

### 3. Characteristics of this project:

The project will include the purchase of \$1,750,000 in equipment, consisting of floor line equipment, panel line equipment, laser line equipment, roof line equipment, and miscellaneous accessories. They will also purchase miscellaneous saws as well as a van and trailer, rollers, stackers and a live deck.

Improvements made the existing facility are estimated to cost approximately \$650,000. The tax abatement being requested would be applied to only these improvements, not the existing assessed value of the property.

### 4. Economic Revitalization Area (ERA):

This property has been previously designated an ERA through City Council Resolution 2001-29 and 2001-33. This ERA is scheduled to expire on January 1, 2017.

### 5. ERA & Tax Abatements Findings (Real Property):

Indiana Code Section 6-1.1-12.1-3 states that the following findings must be made when considering an ERA designation and the granting of a tax abatement for real property:

- a. Whether the estimate of the value of the development or rehabilitation is reasonable for projects of that nature;
- b. 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;

- c. 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;
- d. 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
- e. Whether the totality of the benefits is sufficient to justify the tax abatement.

6. ERA & Tax Abatements Findings (Personal Property):

Indiana Code Section 6-1.1-12.1-4.5 states that the following findings must be made when considering an ERA designation and the granting of tax abatement for personal property:

- a. Whether the estimate of the cost of new manufacturing equipment is reasonable for equipment of that type;
- b. 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 installation of new manufacturing equipment;
- c. 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 installation of the new manufacturing equipment;
- d. Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the installation of the new manufacturing equipment; and
- e. Whether the totality of the benefits is sufficient to justify the tax abatement.

7. City of Franklin "Tax Abatement Policy" criteria:

The "Tax Abatement Policy" section of the *City of Franklin Community Investment Incentives Summary* states that the Economic Development Commission shall use certain criteria when considering a request for tax abatement. A comparison of those criteria and this request follows:

- a. *Diversification of Local Occupations:* According to the Employment Phase-In Schedule submitted, there will be 67 jobs created in the first year of the abatement. The average hourly salary for these 67 employees is \$15.38. The applicant estimates a total of 100 jobs will be created within five years with the same average hourly rate. Wage figures do not include benefits. Benefit information is included as an attachment.
- b. *Diversification of Local Employment:* According to the 2012 U.S. Census Bureau, there were 3 veneer, plywood and or engineered wood product manufacturing establishments in Johnson County.
- c. *Increase in Local Salaries:* The average wage for all industries in Johnson County for the first quarter of 2012 was \$14.98. The average hourly wage in Johnson County for the manufacturing sector is \$23.14 per hour. The average hourly wage in Johnson County for veneer, plywood and or engineered wood product manufacturing employees in 2012 is not disclosed due to the low

number of employees. The average hourly wage (without benefits) for the 100 jobs being created is \$15.38 per hour.

- d. *Sustainable Land Use*: The petitioner proposes to make this investment at an existing building in Franklin that has been available since it was closed by Trussway in 2011.
- e. *Future Community Investment*: The applicant should share with the EDC their plans for future community investment. The company has indicated on their application that they are agreeable to a 2% economic development fee on real property and a 5% economic development fee on personal property improvements.
- f. *Conformance with the Comprehensive Plan*: The Comprehensive Plan - Land Use Map identifies this property as a Light Industrial Area. Light industrial areas include a variety of employment and production facilities. Uses in this area may include warehouses, distribution centers, assembly facilities, technology centers, research and manufacturing facilities, professional offices. Light industrial areas are distinguished from manufacturing areas in that manufacturing areas focus on the manipulation of unfinished products and raw materials. Light Industrial facilities generally do not produce emissions of light, heat, sound, vibration, or odor and are completely contained within buildings. Some limited outdoor storage of finished products may occur. Light Industrial areas may also include facilities which are complimentary to their role as employment centers.

The property is zoned IL, Industrial: Light. The "IL," Industrial: Light zoning district is intended to provide locations for light production, assembly, warehousing, research and development facilities, and similar land uses. This district is intended to accommodate only industrial uses that are completely contained within structures and do not involve the outdoor storage of materials or the release of potential environmental pollutants. This district should be used to support the industrial retention and expansion in Franklin.

8. Tax Abatement Duration:

The *City of Franklin Community Investment Incentives Summary* provides that longer periods of abatement on real and personal property may be considered for requests of an exceptional nature. The Summary states that development examples of an exceptional nature include projects which:

- a. Create a new plant or product line for an existing manufacturer;
- b. Creates substantial employment opportunities with higher than average wages;
- c. Increase substantially property values and the city tax base with minimal impact to city services (police & fire protection, schools, utilities, infrastructure, etc.); and
- d. Utilize existing public infrastructure (sanitary & storm sewer, roads & streets, drainage facilities, and other utilities).

9. Requested Effective Year:

The petitioner has requested that, if approved, the tax abatement be effective for the tax year 2016, payable 2017.

**Staff Comments:**

This tax abatement application proposes the use of an existing industrial warehouse building that was formerly used for truss manufacturing and has been empty since the middle of 2011. The reuse of the property and additional investment being made at this location is a tremendous positive outcome for the Franklin community. While the average hourly wage for proposed 100 employees is lower than the overall manufacturing sector, it is higher than the average hourly wage for all industry sectors combined in Johnson County.



<b>3 YEAR</b>
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**84 Lumber Company**

**Sample Property Tax on Personal Property (3 Year)**

Personal Property Tax Investment: \$1,750,000

Tax Rate: 3.0%

	<b>2016 Payable 2017</b>	<b>2017 Payable 2018</b>	<b>2018 Payable 2019</b>	
<b>Cost of Equipment</b>	\$1,750,000	\$1,750,000	\$1,750,000	
<b>True Cash Percentage Rate</b>	65%	50%	35%	
<b>True Cash Value</b>	\$1,137,500	\$875,000	\$612,500	
<b>Net Tax Rate</b>	3.0%	3.0%	3.0%	<b>Total</b>
<b>Tax w/o Abatement</b>	\$34,125	\$26,250	\$18,375	<b>\$78,750</b>
<b>Abatement Rate</b>	100%	66%	33%	
<b>Amount Abated</b>	\$34,125	\$17,325	\$6,064	<b>Total</b>
<b>Taxes Paid w/Abatement</b>	\$0	\$8,925	\$12,311	<b>\$21,236</b>

**Total Fees Paid**

<b>5% Fee</b>	\$1,706	\$866	\$303	<b>\$2,876</b>
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**Total Tax Savings without Economic Development Fee**

**\$57,514**

**Total Tax Savings with 5% Economic Development Fee**

<b>\$54,638</b>
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**5 YEAR**

**84 Lumber Company**

**Sample Property Tax on Personal Property (5 Year Period)**

Personal Property Tax Investment: \$1,750,000

Tax Rate: 3.0%

	<b>2016 Payable 2017</b>	<b>2017 Payable 2018</b>	<b>2018 Payable 2019</b>	<b>2019 Payable 2020</b>	<b>2020 Payable 2021</b>	
<b>Cost of Equipment</b>	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	
<b>True Cash Percentage Rate</b>	40%	56%	42%	32%	24%	
<b>True Cash Value</b>	\$700,000	\$980,000	\$735,000	\$560,000	\$420,000	
<b>Net Tax Rate</b>	3.0%	3.0%	3.0%	3.0%	3.0%	<b>Total</b>
<b>Tax w/o Abatement</b>	\$21,000	\$29,400	\$22,050	\$16,800	\$12,600	<b>\$101,850</b>
<b>Abatement Rate</b>	100%	80%	60%	40%	20%	
<b>Amount Abated</b>	\$21,000	\$23,520	\$13,230	\$6,720	\$2,520	<b>Total</b>
<b>Taxes Paid w/Abatement</b>	\$0	\$5,880	\$8,820	\$10,080	\$10,080	<b>\$34,860</b>

						<b>Total Fees Paid</b>
<b>5% Fee</b>	\$1,050	\$1,176	\$662	\$336	\$126	<b>\$3,350</b>

**Total Tax Savings without Economic Development Fee**  
**\$66,990**

**Total Tax Savings with 5% Economic Development Fee**  
**\$63,641**

<b>3 YEAR</b>
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***Pierce Hardy Limited Partnership***

Sample Property Tax on Real Property (3 Year) with 2% Economic Development Fee

Real Property Tax Investment: \$650,000

Tax Rate: 3.0%

	<b><i>2016 Payable 2017</i></b>	<b><i>2017 Payable 2018</i></b>	<b><i>2018 Payable 2019</i></b>	
<b><i>True Cash Value</i></b>	\$650,000	\$650,000	\$650,000	
<b><i>Assessed Value</i></b>	\$650,000	\$650,000	\$650,000	
<b><i>Net Tax Rate</i></b>	3.0%	3.0%	3.0%	<b><i>Total</i></b>
<b><i>Tax w/o Abatement</i></b>	\$19,500	\$19,500	\$19,500	<b><i>\$58,500</i></b>
<b><i>Abatement Rate</i></b>	100%	66%	33%	
<b><i>Amount Abated</i></b>	\$19,500	\$12,870	\$6,435	<b><i>Total</i></b>
<b><i>Taxes Paid w/Abatement</i></b>	\$0	\$6,630	\$13,065	<b><i>\$19,695</i></b>

***Total Fees Paid***

<b><i>2% Fee</i></b>	\$390	\$257	\$129	<b><i>\$776</i></b>
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***Total Tax Saving without Economic Development Fee***

***\$38,805***

***Total Tax Savings with 2% Economic Development Fee***

<b><i>\$38,029</i></b>
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# 5 YEAR

## Pierce Hardy Limited Partnership

Sample Property Tax on Real Property (5 Year Period) with 2% Economic Development Fee

Real Property Tax Investment: \$650,000

Tax Rate: 3.0%

	<b>2016 Payable 2017</b>	<b>2017 Payable 2018</b>	<b>2018 Payable 2019</b>	<b>2019 Payable 2020</b>	<b>2020 Payable 2021</b>	
<b>True Cash Value</b>	\$650,000	\$650,000	\$650,000	\$650,000	\$650,000	
<b>Assessed Value</b>	\$650,000	\$650,000	\$650,000	\$650,000	\$650,000	
<b>Net Tax Rate</b>	3.0%	3.0%	3.0%	3.0%	3.0%	<b>Total</b>
<b>Tax w/o Abatement</b>	\$19,500	\$19,500	\$19,500	\$19,500	\$19,500	<b>\$97,500</b>
<b>Abatement Rate</b>	100%	80%	60%	40%	20%	
<b>Amount Abated</b>	\$19,500	\$15,600	\$11,700	\$7,800	\$3,900	<b>Total</b>
<b>Taxes Paid w/Abatement</b>	\$0	\$3,900	\$7,800	\$11,700	\$15,600	<b>\$39,000</b>

**Total Fees Paid**

<b>2% Fee</b>	\$390	\$312	\$234	\$156	\$78	<b>\$1,170</b>
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**Total Tax Saving without Economic Development Fee**

**\$58,500**

**Total Tax Savings with 2% Economic Development Fee**

**\$57,330**

**7 YEAR**

***Pierce Hardy Limited Partnership***

**Sample Property Tax on Real Property (7 Year) with 2% Economic Development Fee**

Real Property Tax Investment: \$650,000

Tax Rate: 3.0%

	<b><i>2016 Payable 2017</i></b>	<b><i>2017 Payable 2018</i></b>	<b><i>2018 Payable 2019</i></b>	<b><i>2019 Payable 2020</i></b>	<b><i>2020 Payable 2021</i></b>	<b><i>2021 Payable 2022</i></b>	<b><i>2022 Payable 2023</i></b>	
<b><i>True Cash Value</i></b>	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000	
<b><i>Assessed Value</i></b>	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000	
<b><i>Net Tax Rate</i></b>	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	<b><i>Total</i></b>
<b><i>Tax w/o Abatement</i></b>	\$5,100	\$5,100	\$5,100	\$5,100	\$5,100	\$5,100	\$5,100	<b><i>\$35,700</i></b>
<b><i>Abatement Rate</i></b>	100%	85%	71%	57%	43%	29%	14%	
<b><i>Amount Abated</i></b>	\$5,100	\$4,335	\$3,621	\$2,907	\$2,193	\$1,479	\$714	<b><i>Total</i></b>
<b><i>Taxes Paid w/Abatement</i></b>	\$0	\$765	\$1,479	\$2,193	\$2,907	\$3,621	\$4,386	<b><i>\$15,351</i></b>

								<b><i>Total Fees Paid</i></b>
<b><i>2% Fee</i></b>	\$102	\$87	\$72	\$58	\$44	\$30	\$14	<b><i>\$407</i></b>

***Total Tax Saving without Economic Development Fee***  
***\$20,349***

***Total Tax Savings with 2% Economic Development Fee***  
***\$19,942***



# CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

## Tax Abatement Application

### Organization/Corporation Requesting Tax Abatement

Organization/Corporation Name: Pierce Hardy Limited Partnership and 84 Lumber Company  
Primary Contact Name: Cheri Bomar  
Contact Address: 1019 Route 519  
City: Eighty Four State: PA Zip: 15330  
Phone Number: 724-228-3636  
Email: cheri.bomar@84lumber.biz  
Three possible dates before the EDC meeting to conduct a site visit: January 4, 5, 11, 12  
Name of Owner: Margaret H. Magerko owns both Pierce Hardy Limited Partnership and 84 Lumber Company through various trusts  
Parent Company (If Applicable): NA

### Primary Contact for Yearly Compliance Reports

Name: Dave Carlsen  
Title: VP of Taxation  
Address: 1019 Route 519  
City: Eighty Four State: PA Zip: 15330  
Phone Number: 724-228-8820  
Email: carlsend@84lumber.com

### Description of Project

Project Location/Address: 1850 N. Graham Road, Franklin, IN 46131  
Parcel Number: State Map ID 41-08-11-024-0002.007-009- County 5100 11 01 029/04 (Parcels 1 and 2)  
Brief Description of Project:

We will utilize the existing site for an 84 Components Facility. 84 Components, the manufacturing division for 84 Lumber Company, is a leading manufacture of metal plat connected roof and floor trusses and wall panels.

### Current Assessed Value (AV) of the Property:

- |              |   |
|--------------|---|
| 1. Land      | <u>Parcel 1 \$129,700.00 / Parcel 2 - \$403,000.00</u>  |
| 2. Building  | <u>\$2,699,700.00</u>   |
| 3. Inventory | <u>To be purchased hasn't been purchased yet</u>  |
| 4. Equipment | <u>To be purchased but hasn't been purchased yet - expected purchase price \$1,750,000.00- \$2,000,000.00</u> |

Have building permits been applied for (if applicable): Yes ☐ No ☒

Has equipment been installed (if applicable): Yes ☐ No ☐

### Required Attachments:

- |   |  |
|---|--|
| <input type="checkbox"/> Completed SB-1 Form(s)                     | <input type="checkbox"/> Summary of Benefits (if applicable) |
| <input type="checkbox"/> Legal Description of the Property          | <input type="checkbox"/> Employment Phase-In Schedule        |
| <input type="checkbox"/> Company Financial Statement                | <input type="checkbox"/> Company Investment Timetable        |
| <input type="checkbox"/> Job and Wage Description Information Sheet | <input type="checkbox"/> Compliance Affidavit                |

### Type of Abatement Requested

Real Property ☒

Personal Property ☒

Length of Abatement Requested: 7 real/5 personal Years

Project Size (square feet): 80,000 sf - existing

Size of Site (acres): 24.2

Type of Building:

Multiple Tenants (leased) ☐

Single Tenant (leased) ☐

Owner Occupied ☒

Corporate Headquarters ☐

#### Capital Investment

1. Real property capital investment only:

Land Acquisition \$2,775,000/ new improvements incl rail \$650,000

2. Personal property capital investment only:

\$1,750,000.00 - \$2,000,000.00

3. Total capital investment for proposed project:

\$4,525,000-\$5,175,000.00

#### Jobs Created and/or Retained

1. Estimated number of full time jobs created by the proposed project: 2016-67 - total by 2019 - 100

2. Estimated number of full time jobs retained as a direct result of the proposed project: NA

3. Total number of full time jobs upon project completion: 100

#### Wages Created and Retained

1. Average hourly wage rate for new jobs (w/o benefits) \$15.38

2. Average hourly wage rate for jobs retained (w/o benefits) NA

\*\*\*In addition to answering these questions, please fill out the Job and Wage Description for Tax Abatement Application information sheet and submit it with the application as an attachment.

Please explain why the abatement incentive is necessary to the project: Attach additional sheets as necessary.

The tax abatement incentives are instrumental in the start of the business. The location was chosen to help assist the surrounding 84 stores and outside customers in securing roof, floor and wall trusses. The start up of a manufacturing facility takes time for the facility to run at a profit. The economic incentives were key to the selection of the site.

### Company Information

How long has the company been in existence? Since 1956

Current address of company headquarters and duration at that address: Have been at the location since 1956

Have been at the location since 1956

Approximate percentage of employees at current location who live in the City of Franklin and/or Johnson County: NA

Have you ever received tax abatement at your current location? Yes ☐ No ☒

If yes, when and for what term? Note - Trussway we believe did receive an abatement

What specifically has the company done to give back to the community:

84 Lumber Company has a commitment in working with local communities where our business are located.

While acting as a strong advocate for using economic incentives to help applicants expand and/or locate in the community, the City of Franklin also strives to enrich the quality of life for its citizens. To that end, the City embraces the use of voluntary economic development fees as allowed under Indiana law (IC 6-1.1-12.1-14). These fees are directed by the City to local nonprofit organizations to bolster their economic development efforts. The fee can be applied on both real and personal property abatements. The fee is collected annually by the County Treasurer as a special assessment on the tax bill and is distributed by the City to the designated economic development nonprofit organization. Typically, 2% is charged on Real Property and 5% is charged on Personal Property. The fee is a percentage of the abatement received. For example, instead of receiving 100% abatement in the first year, the company receives a 95% abatement, with the 5% difference going to support local economic development. More information can be found on the City's website ([www.franklin.in.gov](http://www.franklin.in.gov)) under the Economic Development tab.

Is the company agreeable to the Economic Development Fee? Yes ☒ No ☐

If yes, at what percent(s)? As recommended by the City - ie 2% Real property / 5% personal property





# LUMBER COMPANY

1019 ROUTE 519, BUILDING #5 EIGHTY FOUR, PA 15330  
(724) 228-3636

December 17, 2015

Krista Linke  
City of Franklin  
70 E. Monroe Street  
PO Box 280  
Franklin, IN 46131

Re: 84 Lumber  
1850 N Graham Road – Tax Abatement Application

Dear Ms. Linke:

I was provided your name from Ms. Cheryl Morpew to return our completed tax abatement application from for the project at 1850 N. Graham Road, Franklin IN. It is my understanding that the application would be considered if all deemed in order at the Tuesday, January 12<sup>th</sup> EDC meeting and then again at City Council Meeting on **Monday, January 18, 2016.**

*Feb. 2, 2016*

If you need anything further in regard to the application, please do not hesitate to call. Please note that I have marked certain items confidential and not for distribution inasmuch as we are a private company that does not disclose financial information.

We are looking forward to working with you and your office on how to best proceed with the proposed implementation of the economic incentives.

I look forward to hearing from you and /or your staff on how we should best proceed.

Very truly yours,  
84 Lumber Company

Cheri B. Bomar  
Corporate Counsel





# STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51767 (R2 / 1-07)

Prescribed by the Department of Local Government Finance

20\_\_ PAY 20\_\_

FORM SB-1 / Real Property

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:

- 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, application Form 322 ERA/RE or Form 322 ERA/VBD, Whichever is applicable, must be filed with the County Auditor by the later of: (1) May 10; or (2) thirty (30) days after the notice of addition to assessed valuation or new assessment is mailed to the property owner at the address shown on the records of the township assessor.
- 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 and under IC 6-1.1-12.1-4.8(1) for vacant buildings apply to any statement of benefits approved on or after July 1, 2000. The schedules effective prior to July 1, 2000, shall continue to apply to a statement of benefits filed before July 1, 2000.

SECTION 1 TAXPAYER INFORMATION					
Name of taxpayer Pierce Hardy Limited Partnership					
Address of taxpayer (number and street, city, state, and ZIP code) 1019 Route 519, Eighty Four, PA 15330					
Name of contact person Cheri B. Bomar		Telephone number (724) 228-3636		E-mail address cheri.bomar@84lumber.biz	
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT					
Name of designating body City of Franklin				Resolution number	
Location of property 1850 N. Graham Road		County Johnson		DLGF taxing district number	
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) See Attached				Estimated start date (month, day, year) 2-1-16	
				Estimated completion date (month, day, year) 4-15-16	
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT					
Current number 0.00	Salaries \$100.00	Number retained see Attached	Salaries	Number additional \$100.00 100	Salaries
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.			REAL ESTATE IMPROVEMENTS		
			COST		ASSESSED VALUE
Current values			see Attached		
Plus estimated values of proposed project			650,000		
Less values of any property being replaced					
Net estimated values upon completion of project					
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER					
Estimated solid waste converted (pounds) NA			Estimated hazardous waste converted (pounds) NA		
Other benefits					
SECTION 6 TAXPAYER CERTIFICATION					
I hereby certify that the representations in this statement are true.					
Signature of authorized representative Cheri B. Bomar		Title Sec		Date signed (month, day, year) 12-17-15	





# STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51764 (R / 1-06)

Prescribed by the Department of Local Government Finance

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. 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. For equipment installed prior to March 2, 2001, the schedules and statutes in effect at the time shall continue to apply. (IC 6-1.1-12.1-4.5(f) and (g))

SECTION 1		TAXPAYER INFORMATION						
Name of taxpayer <b>84 Lumber Company</b>								
Address of taxpayer (number and street, city, state, and ZIP code) <b>1019 ROUTE 519 EIGHTY FOUR PA 15330</b>								
Name of contact person <b>Cheri Bomar</b>		Telephone number <b>724-228-3636</b>						
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT						
Name of designating body <b>Pierce Hardy Limited Partnership City of Franklin</b>		Resolution number (s)						
Location of property <b>1850 N Graham Road</b>		County <b>JOHNSON</b>						
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) <b>see Attached</b>		ESTIMATED						
		START DATE						
		COMPLETION DATE						
Manufacturing Equipment		<b>2-1-16</b>	<b>4-1-16</b>					
R & D Equipment								
Logist Dist Equipment		<b>2-1-16</b>	<b>4-1-16</b>					
IT Equipment		<b>2-1-16</b>	<b>4-1-16</b>					
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT						
Current number <b>NA</b>	Salaries <b>NA</b>	Number retained <b>NA</b>	Salaries <b>NA</b>					
		Number additional <b>67-100</b>	Salaries <b>see Attached</b>					
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								
Plus estimated values of proposed project	<b>1,750,000</b>	<b>see Attached</b>						
Less values of any property being replaced								
Net estimated values upon completion of project								
SECTION 5		WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER						
Estimated solid waste converted (pounds) _____		Estimated hazardous waste converted (pounds) <b>NA</b>						
Other benefits:								
SECTION 6		TAXPAYER CERTIFICATION						
I hereby certify that the representations in this statement are true.								
Signature of authorized representative <b>Cheri Bomar</b>		Title <b>sec</b>	Date signed (month, day, year) <b>12-18-15</b>					

# SAMPLE COMPANY INVESTMENT TIMETABLE

Year of Abatement	Buildings	Equip. Type 1	Equip. Type 2	Equip. Type 3	Total
1st Quarter	2,775,000	1,750,000	20,000	20,000	4,565,000
2nd Quarter	300,000				300,000
3rd Quarter					
4th Quarter					
Year of Abatement					
1st Quarter					
2nd Quarter		150,000			150,000
3rd Quarter					
4th Quarter					
Year of Abatement					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
TOTAL					5,015,000

**EMPLOYMENT PHASE-IN SCHEDULE**  
**SAMPLE JOB CREATION/RETENTION TIMETABLE**

Year of Abatement	Job Type 1	Job Type 2	Job Type 3	Job Type 4	Total
1st Quarter	mngmt	DESIGN	Customer Ser	mfg	29
2nd Quarter	2	4	3	20	29
3rd Quarter	2	4		20	26
4th Quarter				12	12
<b>Year of Abatement 2</b>					
1st Quarter					
2nd Quarter	1	1	1	5	8
3rd Quarter					
4th Quarter					
<b>Year of Abatement 3</b>					
1st Quarter					
2nd Quarter	1	1	2	6	10
3rd Quarter					
4th Quarter					
<b>TOTAL</b>	6	10	6	63	85

67 total



**CITY OF FRANKLIN, INDIANA**

**RESOLUTION NUMBER 2016-01**

**A DECLARATORY RESOLUTION DESIGNATING AN ECONOMIC REVITALIZATION  
AREA FOR PIERCE HARDY LIMITED PARTNERSHIP AND 84 LUMBER COMPANY  
(EDC 2016-01)**

**WHEREAS**, Pierce Hardy Limited Partnership and 84 Lumber Company have submitted a Statement of Benefits and made application for an Economic Revitalization Area designation pursuant to IC 6-1.1-12.1, *et. seq.*, for the property commonly known as 1850 N. Graham Road; and

**WHEREAS**, pursuant to IC 6-1.1-12.1, *et. seq.*, the Council may find that a particular area within the jurisdiction of the City is an Economic Revitalization Area and may by adoption of a resolution, declare such area to be an Economic Revitalization Area which resolution must be confirmed, modified, or rescinded; and

**WHEREAS**, pursuant to IC 6-1.1-12.1, *et. seq.*, the City of Franklin, Indiana (the “City”) by and through its Common Council, acting in its capacity as the fiscal body of the City and acting as the designating body identified in IC 6-1.1-12.1 *et. seq.*, the City has the right and opportunity to abate the payment of real property taxes for real estate located within an area declared by the City to be an Economic Revitalization Area and to also abate the payment of personal property taxes within the Economic Revitalization Area; and

**WHEREAS**, the Franklin Economic Development Commission has on January 12<sup>th</sup>, 2016 held a public meeting and considered the economic revitalization area designation and the real and personal property tax abatement requests of Pierce Hardy Limited Partnership and 84 Lumber Company, in a manner consistent with all applicable sections of the Indiana Code; and

**WHEREAS**, the Franklin Economic Development Commission made the findings required by IC 6-1.1-12.1 *et. seq.* and recommended that the property commonly known as 1850 N. Graham Road, Franklin, Indiana more particularly described in Exhibit A, be designated as an economic revitalization area; and

**WHEREAS**, said property meets the criteria for designation as an Economic Revitalization Area pursuant to IC 6-1.1-12.1 *et. seq.*;

**NOW, THEREFORE BE IT RESOLVED** by the Common Council of the City of Franklin as follows:

**Section 1.** The Common Council has reviewed the Statement of Benefits and additional information submitted pursuant to IC 6-1.1-12.1 *et. seq.* and makes the following findings:

- a. 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 occupation of the eligible vacant building; and
- b. 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 proposed occupation of the eligible vacant building; and
- c. Other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed occupation of the eligible vacant building; and

- d. The occupation of the eligible vacant building will increase the tax base and assist in the rehabilitation of the economic revitalization area; and
- e. The totality of benefits is sufficient to justify the deduction.

**Section 2.** Based on these findings, the Common Council has determined that the purposes of IC 6-1.1-12.1 *et. seq.* are served by allowing the deduction, and the property described in Exhibit A is hereby declared to be an Economic Revitalization Area.

**Section 3.** A public hearing shall be held on the 7<sup>th</sup> day of March, 2016 at 6:00 p.m. at the Franklin City Hall Council Chambers, 70 E. Monroe Street, Franklin, Indiana. The Council shall publish or cause to be published, pursuant to the provisions of IC 6-1.1-12.1 *et. seq.*, notice of the adoption and substance of this Resolution in accordance with IC 5-3-1, one time at least 10 days before the date of the public hearing on this matter, which notice shall state the date and time for the public hearing, that the Council will hear all remonstrance's and objections from interested persons at the public hearing, and that at the conclusion of the public hearing, the Council may take final action on the proposed designation determining whether the qualifications for an economic revitalization area have been met and confirm, modify, or rescind this Resolution. A copy of this Resolution, including a legal description of the property, will be filed with and shall be available for inspection in the office of the Johnson County Assessor.

**Section 4.** Said designation shall begin and be in full force and effect immediately upon adoption of the Confirming Resolution.

Introduced and Filed on the 1<sup>st</sup> day of February, 2016.

**DULY PASSED** on this 1<sup>st</sup> day of February, 2016, by the Common Council of the City of Franklin, Johnson County, Indiana, having been passed by a vote of \_\_\_\_\_ in Favor and \_\_\_\_\_ Opposed.

**City of Franklin, Indiana, By its Common Council:**

**Voting Affirmative:**

**Voting Opposed:**

\_\_\_\_\_  
Stephen Barnett, Council President

\_\_\_\_\_  
Stephen Barnett, Council President

\_\_\_\_\_  
Kenneth W. Austin, Vice President

\_\_\_\_\_  
Kenneth W. Austin, Vice President

\_\_\_\_\_  
Joseph P. Abban

\_\_\_\_\_  
Joseph P. Abban

\_\_\_\_\_  
Joseph R. Ault

\_\_\_\_\_  
Joseph R. Ault

\_\_\_\_\_  
Andrew Eggers

\_\_\_\_\_  
Andrew Eggers

\_\_\_\_\_  
Keith Fox

\_\_\_\_\_  
Keith Fox

\_\_\_\_\_  
Richard L. Wertz

\_\_\_\_\_  
Richard L. Wertz

Attest:

\_\_\_\_\_  
Jayne Rhoades  
City 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 1<sup>st</sup> day of February, 2016 at 6:00 o'clock a.m./p.m.

\_\_\_\_\_  
Jayne Rhoades  
City Clerk-Treasurer

This ordinance having been passed by the legislative body and presented to me [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 1<sup>st</sup> day of February, 2016 at 6:00 o'clock a.m./p.m.

\_\_\_\_\_  
Joseph E. McGuinness  
Mayor

Attest:

\_\_\_\_\_  
Jayne Rhoades  
City Clerk-Treasurer

Prepared by: Krista M. Linke, Director of Community Development

# EXHIBIT A

THIS INDENTURE WITNESSETH, That Maurice Fred Linville and Helen Ann Linville, Husband and Wife (Grantor) of Johnson County, in the State of Indiana, CONVEY(S) AND WARRANT(S) to Abacus Enterprises, Inc., an Indiana Corporation (Grantee) of Johnson County, in the State of Indiana, for the sum of One and no/100 Dollars (\$1.00) and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the following described real estate in Johnson County, State of Indiana:

## Parcel II

A part of the Northwest Quarter of Section 11, Township 12 North, Range 4 East of the Second Principal Meridian, Franklin Township, Johnson County, Indiana, more particularly described as follows:

Beginning at a point on the East line of the said Northwest Quarter Section that is North 00 degrees 00 minutes 00 seconds East (previous survey bearing) 748.52 feet from the Southwest corner thereof; thence North 00 degrees 00 minutes 00 seconds East on and along said Quarter Section line a distance of 870.22 feet; thence South 89 degrees 25 minutes 20 seconds West a distance of 1424.39 feet to the East right-of-way of the Louisville and Indiana Railroad; thence Southeasterly along said right-of-way line South 16 degrees 24 minutes 45 seconds East 485.25 feet; thence Southeasterly along a curve to the left having a radius of 588.11 feet, an arc distance of 498.85 feet which arc is subtended by a chord bearing and distance of South 44 degrees 20 minutes 54 seconds East 484.03 feet; thence North 22 degrees 05 minutes 45 seconds East 7.50 feet; thence South 69 degrees 38 minutes 42 seconds East 20.01 feet; thence South 22 degrees 05 minutes 46 seconds West 7.51 feet; thence Southeasterly along a curve to the left having a radius of 588.11 feet, an arc distance of 208.12 feet which arc is subtended by a chord bearing and distance of South 88 degrees 44 minutes 06 seconds East 207.03 feet; thence North 89 degrees 07 minutes 38 seconds East 725.41 feet to the East line of said Quarter Section and the Point of Beginning, containing 25.000 acres, more or less, subject to legal rights-of-way, easements and restrictions.

Parcel #: 5100 11 01 029/00

Subject to any and all easements, agreements and restrictions of record.

Tax bills should be sent to Grantee at 609 Treyborne Dr. Ste. A, Greenwood, IN 46142.

IN WITNESS WHEREOF, Grantor has executed this deed this 10<sup>th</sup> day of FEBRUARY, 2005.

Grantor:

Signature: Maurice Fred Linville

Maurice Fred Linville by

Charlotte Ann Sullivan, Attorney in Fact

Grantor:

Signature: Helen Ann Linville

Helen Ann Linville by

Charlotte Ann Sullivan, Attorney in Fact