



CITY OF FRANKLIN

Community Development Department

Memorandum

To: City of Franklin Economic Development Commission

From: Rhoni Oliver, Community Development Specialist

Date: March 9, 2017

Re: Case C 2017-25: Laugle Properties

Summary:

1. On April 28th, 2008, the Franklin Common Council passed Resolution No. 2008-06, approving a 10-year tax abatement on real property for Laugle Properties, located at 351 Blue Chip Court.
2. Actual and estimated benefits, as projected for 2016:

	Estimated on SB-1	Actual in 2016	Difference
Employees Retained	17	16	-1
Salaries	\$551,760	\$641,523	\$89,763
New Employees	2	8	6
Salaries	\$64,480	\$1,070,071	\$1,005,591
Total Employees	19	24	5
Total Salaries	\$616,240	\$1,711,594	\$1,095,354
Average Hourly Salaries	\$15.59	\$34.29	\$18.69
Real Property Improvements	\$804,500	\$900,000	\$95,500

3. Dualtech was located across the street at 400 Blue Chip Court. There was a fire on February 3, 2008 at this location which destroyed all of Dualtech's equipment and damaged the building. Dualtech relocated to 351 Blue Chip Court. Laugle Properties is the owner of 351 Blue Chip Court and Dualtech leases the real estate from them.
4. They have exceeded their estimate provided on the SB-1 Form for real property.
5. They exceed the overall number of employees as well as average hourly salaries.
6. The real property tax abatement is scheduled to expire in tax year 2019 payable 2020. The final compliance review will take place in 2020.

Staff Recommendation:

Approval

Laugle Properties, LLC
3719 E 700 N.
Whiteland, IN 46184
317-738-5966

February 24, 2017

Krista Linke
Dept. of Planning and Economic Dev.
70 E. Monroe St.
Franklin, IN 46131

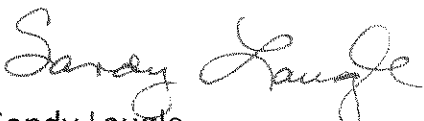
RE: Tax Abatement Compliance for Laugle Properties, LLC

Enclosed please find Form CF-1 (Compliance with Statement of Benefits) regarding compliance with real property tax abatements; which were granted to Laugle Properties, LLC in 2008 under Franklin Common Council Resolution No. 08-06.

As can be seen from reviewing the enclosed documents, our company has been highly successful in (a) making all of the capital investments which had been projected for the initial year, and (b) creating the full complement of jobs which had been proposed in the Statement of Benefits (Form SB-1) which was approved on April 30, 2009.

Please review all of the enclosed documents, and if you have any questions or concerns regarding this matter, please feel free to contact me.

Sincerely,


Sandy Laugle
Laugle Properties, LLC

Enclosures



COMPLIANCE WITH STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51766 (R3 / 2-13)

Prescribed by the Department of Local Government Finance

20 16 PAY 20 17

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).

INSTRUCTIONS:

1. This form does not apply to property located in a residentially distressed area or any deduction for which the Statement of Benefits was approved before July 1, 1991.
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 (Form SB-1/Real Property).
3. This form must accompany the initial deduction application (Form 322/RE) that is filed with the county auditor.
4. This form must also be updated each year in which the deduction is applicable. It is filed with the county auditor and the designating body before May 15, or by the due date of the real property owner's personal property return that is filed in the township where the property is located. (IC 6-1.1-12.1-5.1(b))
5. With the approval of the designating body, compliance information for multiple projects may be consolidated on one (1) compliance form (Form CF-1/Real Property).

SECTION 1		TAXPAYER INFORMATION	
Name of taxpayer Laugle Properties, LLC - Jack and Sandy Laugle		County Johnson	
Address of taxpayer (number and street, city, state, and ZIP code) 3719 E 700 N, Whiteland, IN 46184		DLGF taxing district number 031	
Name of contact person Sandy Laugle		Telephone number (317) 738-5966	
SECTION 2		LOCATION AND DESCRIPTION OF PROPERTY	
Name of designating body City of Franklin Common Council		Resolution number 08-06	Estimated start date (month, day, year) 04/01/2008
Location of property 351 Blue Chip Court, Franklin		Actual start date (month, day, year) 4/1/2008	
Description of real property improvements 20,000 sq ft manufacturing facility		Estimated completion date (month, day, year) 7/1/2008	
		Actual completion date (month, day, year) 7/1/2008	
SECTION 3		EMPLOYEES AND SALARIES	
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		17	24
Salaries		551,760.00	1,711,594.00
Number of employees retained		17	16
Salaries		551,760.00	641,523.00
Number of additional employees		2	8
Salaries		64,480.00	1,070,071.00
SECTION 4		COST AND VALUES	
COST AND VALUES		REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1		COST	ASSESSED VALUE
Values before project		100,000.00	67,500.00
Plus: Values of proposed project		834,500.00	
Less: Values of any property being replaced			
Net values upon completion of project		904,500.00	
ACTUAL		COST	ASSESSED VALUE
Values before project		100,000.00	
Plus: Values of proposed project		900,000.00	
Less: Values of any property being replaced			
Net values upon completion of project		1,000,000.00	
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>Sandy Laugle</i>		Title Member	Date signed (month, day, year) 2/24/17

**OPTIONAL: FOR USE BY A DESIGNATING BODY WHO ELECTS TO REVIEW THE COMPLIANCE WITH STATEMENT OF BENEFITS (FORM CF-1)
THAT WAS APPROVED AFTER JUNE 30, 1991**

INSTRUCTIONS: (IC 6-1.1-12.1-5.1 and IC 6-1.1-12.1-5.9)

1. Not later than forty-five (45) days after receipt of this form, the designating body may determine whether or not the property owner has substantially complied with the Statement of Benefits (Form SB-1/Real Property).
2. If the property owner is found **NOT** to be in substantial compliance, the designating body shall send the property owner written notice. The notice must include the reasons for the determination and the date, time and place of a hearing to be conducted by the designating body. The date of this hearing may not be more than thirty (30) days after the date this notice is mailed. A copy of the notice may be sent to the county auditor and the county assessor.
3. Based on the information presented at the hearing, the designating body shall determine whether or not the property owner has made reasonable efforts to substantially comply with the Statement of Benefits (Form SB-1/Real Property) and whether any failure to substantially comply was caused by factors beyond the control of the property owner.
4. If the designating body determines that the property owner has **NOT** made reasonable efforts to comply, then the designating body shall adopt a resolution terminating the property owner's deduction. If the designating body adopts such a resolution, the deduction does not apply to the next installment of property taxes owed by the property owner or to any subsequent installment of property taxes. The designating body shall immediately mail a certified copy of the resolution to: (1) the property owner; (2) the county auditor; and (3) the county assessor.

We have reviewed the CF-1 and find that:

- ☐ the property owner **IS** in substantial compliance
- ☐ the property owner **IS NOT** in substantial compliance
- ☐ other (specify) _____

Reasons for the determination (attach additional sheets if necessary)

Signature of authorized member

Date signed (month, day, year)

Attested by:

Designating body

If the property owner is found not to be in substantial compliance, the property owner shall receive the opportunity for a hearing. The following date and time has been set aside for the purpose of considering compliance. (Hearing must be held within thirty (30) days of the date of mailing of this notice.)

Time of hearing

- ☐ AM
☐ PM

Date of hearing (month, day, year)

Location of hearing

HEARING RESULTS (to be completed after the hearing)

- ☐ Approved ☐ Denied (see instruction 4 above)

Reasons for the determination (attach additional sheets if necessary)

Signature of authorized member

Date signed (month, day, year)

Attested by:

Designating body

APPEAL RIGHTS [IC 6-1.1-12.1-5.9(e)]

A property owner whose deduction is denied by the designating body may appeal the designating body's decision by filing a complaint in the office of the Circuit or Superior Court together with a bond conditioned to pay the costs of the appeal if the appeal is determined against the property owner.

Dualtech, Inc.
JOB CREATION/ RETENTION TABLE

	Year	Prof/Mangerial	Secretary	Lab Tech.	Machine Operators	Total	Proposed Salary
Proposed	1	2	1	1	13	17	\$551,760
Actual	1	2	1	2	11	16	641,523
Proposed	2	2	1	1	15	19	\$616,240
Actual	2	2	1	2	17	22	\$895,071
Proposed	3	2	1	1	15	19	\$616,240
Actual	3	2	2	2	22	28	\$1,305,481
Proposed	4	2	1	1	15	19	\$616,240
Actual	4	2	2	2	15	21	\$1,410,350.84
Proposed	5	2	1	1	15	19	\$616,240
Actual	5	2	1	2	18	23	\$1,124,261.09
Proposed	6	2	1	1	15	19	\$616,240
Actual	6	2	1	2	19	24	\$1,571,878.00
Proposed	7	2	1	1	15	19	\$616,240
Actual	7	2	1	2	18	23	\$1,564,941
Proposed	8	2	1	1	15	19	\$616,240
Actual	8	2	1	2	19	24	\$1,711,594

Dualtech, Inc.
 351 Blue Chip Court
 P.O. Box 476
 Franklin, IN 46131

Attachment to Form CF-1 (Compliance with Statement of Benefits)
 Job Creation Schedule by Quarter

Actual Number Of Employees As of 12/31/15	Proposed Total Number of employees by 12/31/15 (From SB-1)	Actual Number of Employees During Year (by Quarter)	Actual Total Number of Employees as of 12/31/16	Difference between Actual and Proposed Number of Employees
23	19	3/31/16 6/30/16 9/30/16 12/30/16	24	+4
		+1 0 0 0		