

**AGENDA RESERVATION REQUEST****CITY OF FRANKLIN  
COMMON COUNCIL**

Please type or print

<b>Date Submitted:</b>	04-26-17	<b>Meeting Date:</b>	05-01-17
<b>Contact Information:</b>			
<b>Requested by:</b>	Rhoni Oliver		
<b>On Behalf of Organization or Individual:</b> Economic Development Commission			
<b>Telephone:</b>	317-736-3631		
<b>Email address:</b>	<a href="mailto:roliver@franklin.in.gov">roliver@franklin.in.gov</a>		
<b>Mailing Address:</b>	70 E. Monroe St., Franklin, IN 46131		
<b>Describe Request:</b>			
Yearly Tax Abatement Compliance Reports			
<b>List Supporting Documentation Provided:</b>			
C 2017-07: Cooper Tire & Rubber Co.			
C 2017-10: Countertop Connections			
C2017-14 & C2017-48: Electrospec, Inc. and Trueblood Oil Company			
C 2017-17 & C2017-33: GROK Enterprises and Nitrex			
C 2017-19: Hetsco, Inc.			
C 2017-20: Indiana Hydraulic Corp.			
C 2017-23: KYB Manufacturing NA, Inc.			
C 2017-30: Mitsubishi Turbocharger & Engine America			
C 2017-44: Pridgeon & Clay			
<b>Who will present the request?</b>			
<b>Name:</b>	Rhoni Oliver	<b>Telephone:</b>	317-736-3631



## CITY OF FRANKLIN

Community Development Department

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# Memo

**To:** City Council Members

**CC:** Mayor, Clerk-Treasurer, City Attorney

**From:** Rhoni Oliver, Community Development Specialist

**Date:** April 25, 2017

**Subject:** EDC – Tax Abatement Compliance

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The Economic Development Commission found the following tax abatement compliance reports to be in substantial compliance and forwarded them to the City Council with favorable recommendations at their April 25, 2017 meeting:

- C 2017-07: Cooper Tire & Rubber Co.
- C 2017-10: Countertop Connections
- C2017-14 & C2017-48: Electrospec, Inc. and Trueblood Oil Company
- C 2017-17 & C2017-33: GROK Enterprises and Nitrex
- C 2017-19: Hetsco, Inc.
- C 2017-20: Indiana Hydraulic Corp.
- C 2017-23: KYB Manufacturing NA, Inc.
- C 2017-30: Mitsubishi Turbocharger & Engine America
- C 2017-44: Pridgeon & Clay

Compliance documentation is attached for each case. Please contact me directly at 346-1254 if you have any questions regarding any of this information.



# CITY OF FRANKLIN

Community Development Department

## Memorandum

**To:** City of Franklin Economic Development Commission

**From:** Rhoni Oliver, Community Development Specialist

**Date:** April 20, 2017

**Re:** C 2017-07: Cooper Tire & Rubber Company

### Summary:

1. On July 21<sup>st</sup>, 2008, the Franklin Common Council passed Resolution No. 2008-17, approving a 10-year tax abatement on personal and real property for CCD I-65 LLC (Cooper Tire) located at 500 Bartram Parkway.
2. Actual and estimated benefits, for 2016:

	Estimated on SB-1	Actual in 2016	Difference
New Employees	60	114	54
Salaries	\$2,311,920	\$5,362,569	\$3,050,649
Average Hourly Salaries	\$18.53	\$22.62	\$4.09
Personal Property Improvements	\$3,000,000	\$3,758,310	\$758,310

3. Cooper Tire and Rubber Company exceeded their personal property investment by \$758,310.
4. Cooper Tires explained in 2013 that they do not have 60 Cooper Tire employees, but that a majority of their employees are temporary employees. These temporary employees work 40 hours per week and make approximately \$12 per hour. Because of temporary employees, their average hourly salary has been lower than estimated on their original SB-1 form in the past. 2015 is the first year that the average hourly salary is above their original estimate. The total number of employees in 2014 was 126. In 2016 the number of employees was 54 more than estimated on the SB-1, and the average hourly salary was \$4.09 over the estimate.
5. The tax abatement is scheduled to expire in tax year 2018 payable 2019. The final compliance review will take place in 2019.

### Staff Recommendation:

Approval



COOPER TIRE & RUBBER COMPANY  
701 Lima Avenue • Findlay, OH 45840 • 419-423-1321

April 19, 2017

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

Re: Tax Abatement Compliance for Cooper Tire & Rubber Company

Dear Mrs. Linke:

Enclosed please find Form CF-1 (Compliance with Statement of Benefits) regarding compliance with the personal property tax abatements which were granted to Cooper Tire & Rubber Company in 2008 under Franklin Common Council Resolution No. 08-17.

As can be seen from reviewing the enclosed documents, our company has been highly successful in making all of the capital investments which had been projected for this project. 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,

Amy Harshman  
Tax Analyst

Enclosures





# COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51765 (R4 / 11-16)

Prescribed by the Department of Local Government Finance

**FORM CF-1 / PP**

## PRIVACY NOTICE

This form contains information  
confidential pursuant to  
IC 6-1.1-35-9 and IC 6-1.1-12.1-5.6.

- 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 January 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 January 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 <b>Cooper Tire &amp; Rubber Company</b>						County <b>Johnson</b>		
Address of taxpayer (number and street, city, state, and ZIP code) <b>701 Lima Avenue, Findlay, OH 45840</b>						DLGF taxing district number <b>41018</b>		
Name of contact person <b>Jeffrey D. Lenhart</b>						Telephone number <b>( 419 ) 424-7317</b>		
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY								
Name of designating body <b>Franklin Common Council</b>				Resolution number <b>08-17</b>		Estimated start date (month, day, year) <b>05/01/2009</b>		
Location of property <b>500 Bartram Parkway, Franklin, IN 46131</b>						Actual start date (month, day, year)		
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired.						Estimated completion date (month, day, year) <b>5/31/2021</b>		
						Actual completion date (month, day, year)		
SECTION 3 EMPLOYEES AND SALARIES								
<b>EMPLOYEES AND SALARIES</b>						<b>AS ESTIMATED ON SB-1</b>		<b>ACTUAL</b>
Current number of employees								
Salaries								
Number of employees retained								
Salaries								
Number of additional employees						60		114
Salaries						2,311,920.00		5,362,569.00
SECTION 4 COST AND VALUES								
	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
<b>AS ESTIMATED ON SB-1</b>	<b>COST</b>	<b>ASSESSED VALUE</b>	<b>COST</b>	<b>ASSESSED VALUE</b>	<b>COST</b>	<b>ASSESSED VALUE</b>	<b>COST</b>	<b>ASSESSED VALUE</b>
Values before project								
Plus: Values of proposed project					3,000,000.00			
Less: Values of any property being replaced								
Net values upon completion of project					3,000,000.00			
<b>ACTUAL</b>	<b>COST</b>	<b>ASSESSED VALUE</b>	<b>COST</b>	<b>ASSESSED VALUE</b>	<b>COST</b>	<b>ASSESSED VALUE</b>	<b>COST</b>	<b>ASSESSED VALUE</b>
Values before project								
Plus: Values of proposed project					3,758,309.52			
Less: Values of any property being replaced								
Net values upon completion of project					3,758,309.52			
<b>NOTE:</b> The <b>COST</b> of the property is confidential pursuant to IC 6-1.1-12.1-5.6(c).								
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER								
<b>WASTE CONVERTED AND OTHER BENEFITS</b>						<b>AS ESTIMATED ON SB-1</b>		<b>ACTUAL</b>
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 				Title <b>Manager, State &amp; Local Tax</b>		Date signed (month, day, year) <b>4/19/2017</b>		

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 6-1.1-12.1-5.9)

1. This page does not apply to a Statement of Benefits filed before July 1, 1991; that deduction may not be terminated for a failure to comply with the Statement of Benefits.
2. Within 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.
3. 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. If a notice is mailed to a property owner, a copy of the written notice will be sent to the County Assessor and the County Auditor.
4. Based on the information presented at the hearing, the designating body shall determine whether or not the property owner has made reasonable effort to substantially comply with the Statement of Benefits and whether any failure to substantially comply was caused by factors beyond the control of the property owner.
5. If the designating body determines that the property owner has **NOT** made reasonable effort to comply, then the designating body shall adopt a resolution terminating the deduction. 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.

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 5 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 clerk of 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.

Cooper Tire & Rubber Company  
 701 Lima Avenue  
 Findlay, OH 45840

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

Proposed # of Employees as of 6/20/08 (from SB-1)	Actual # of Employees as of 12/31/15 (from SB-1)	Actual # of Employees Added During Year (by Qtr)	March-13	June-13	September-13	December-13	Actual # of Employees as of 12/31/2016	Difference Between Actual and Proposed # of Employees
60	114		0	0	0	0	114	54

Cooper Tire & Rubber Company  
701 Lima Avenue  
Findlay, OH 45840

Attachment to Form CF-1 (Compliance with Statement of Benefits):  
Expansion Investment Schedule by Quarter

	Proposed Amount of Investment as of:	Actual Amount of Total Investment by:	Actual Amount of Investment Added/(Disposed) During Year (by Qtr)				Actual Amount of Total Investment by:	Difference Between Actual and Proposed Investment
	6/20/2008	12/31/2015	3/31	6/30	9/30	12/31	12/31/2016	
Machinery & Equipment	\$3,000,000	\$3,758,310	\$0	\$0	\$0	\$0	\$3,758,310	\$758,310



# CITY OF FRANKLIN

Community Development Department

## Memorandum

**To:** City of Franklin Economic Development Commission

**From:** Rhoni Oliver

**Date:** April 20, 2017

**Re:** Case C 2017-10 Countertop Connections

### Summary:

1. On November 3<sup>rd</sup>, 2014, the Franklin Common Council passed Resolution No. 2014-15, approving a 5-year tax abatement on real property with a 2% economic development fee for Countertop Connections located at 3042 Hudson Street.
2. Actual and estimated benefits, as projected for 2016:

	Estimated on SB-1	Actual in 2016	Difference
Employees Retained	10	10	0
Salaries	\$251,576	\$289,054	\$37,478
New Employees	2	2	0
Salaries	\$58,240	\$19,763	-\$38,477
Total Employees	12	12	0
Total Salaries	\$309,816	\$308,817	-\$999
Average Hourly Salaries	\$12.41	\$13.91	\$1.50
Real Property Improvements	\$400,000	\$380,000	-\$20,000

3. Countertop Connections estimated in their application that they would hire 2 employees and that the average hourly salary would be \$12.41. They have hired two employees in the second and third quarters of 2016 who are on track to earn \$58,240 combined. This brings the average hourly salary to \$13.91, which is higher than estimated.
4. The real property investment is \$20,000 under the SB-1 estimate of \$400,000 due to construction coming in under budget.
5. The real property tax abatement for Countertop Connections is scheduled to expire in tax year 2019 payable 2020. The final compliance review will take place in 2020.

**Staff Recommendation:** Approval



3042 Hudson St.  
Franklin, IN 46131  
Phone: (317) 822-9858  
Fax: (317) 822-3490  
CountertopConnectionsInc@gmail.com

April 19, 2017

City of Franklin  
Attn: Kirsta Linke  
70 E Monroe Street  
Franklin IN 46131

RE: 2016 Tax Abatement Compliance Packet for Countertop Connections Inc

Dear Ms. Linke:

Enclosed, please find Forms CF-1/RE and CF-1/PP (Compliance with Statement of Benefits) regarding compliance with the real property and personal property tax abatements which were granted to Countertop Connections Inc in 2015 under Franklin Common Council Resolution number 05-10.

As can be seen from reviewing the enclosed documents, our company has been successful in (a) making all of the capital investments which had been projected for the past year, and actually coming in under budget for the construction of the building, and (b) creating the full complement of jobs which had been proposed in the Statement of Benefits (Form SB-1). Our two new employees were hired in the second and third quarter of last year so their salaries are on track to exceed the estimated \$58,240.00 for new hires.

Please review all of the enclosed documents and if you have any questions or concerns regarding this matter, please feel free to contact me at 317-822-9858

Sincerely,

A handwritten signature in black ink, appearing to read "Sherry Caudill", is written over a large, stylized "C" that serves as a background for the signature.

Sherry Caudill  
Sec/Treasurer  
Countertop Connections Inc

## How to Fill Out a CF-1 Form: REAL Property

1. Type, handwritten, or fill out the form online and print off. The online form can be found at:  
[www.franklin.in.gov/planning](http://www.franklin.in.gov/planning) - go to the Economic Development Commission - then go to Forms & Applications.
2. At a minimum, fill in all of the yellow highlighted fields below:



### COMPLIANCE WITH STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51766 (R2 / 1-07)

Prescribed by the Department of Local Government Finance

20 PAY 20

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 <b>Countertop Connections Inc</b>			
Address of taxpayer (number and street, city, state, and ZIP code) <b>3042 Hudson St. Franklin In 46131</b>			
Name of contact person <b>Sherry Caudill</b>		Telephone number <b>317-822-9858</b>	
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY			
Name of designating body		Resolution number	
Location of property	County	DLGF taxing district number	
Description of real property improvements:		Estimated starting date (month, day, year)	
		Estimated completion date (month, day, year)	
SECTION 3 EMPLOYEES AND SALARIES			
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		<b>12</b>	<b>12</b>
Salaries		<b>251,576.22</b>	<b>308,816.79</b>
Number of employees retained		<b>10</b>	<b>10</b>
Salaries		<b>251,576.22</b>	<b>289,054.07</b>
Number of additional employees		<b>2</b>	<b>2</b>
Salaries		<b>58,340.00</b>	<b>19,762.72</b>
SECTION 4 COST AND VALUES			
COST AND VALUES		REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1		COST	
Values before project		<b>400,000.00</b>	
Plus: Values of proposed project			
Less: Values of any property being replaced			
Net values upon completion of project			
ACTUAL		COST	
Values before project		<b>380,000.00</b>	
Plus: Values of proposed project			
Less: Values of any property being replaced			
Net values upon completion of project			
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 <b>Sherry Caudill</b>	Title <b>Sec Treas.</b>	Date signed (month, day, year) <b>4-19-17</b>	

\*OVER\*





# COMPLIANCE WITH STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51766 (R3 / 2-13)

Prescribed by the Department of Local Government Finance

20\_\_ PAY 20\_\_

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		County	
Address of taxpayer (number and street, city, state, and ZIP code)		DLGF taxing district number	
Name of contact person		Telephone number ( )	
SECTION 2		LOCATION AND DESCRIPTION OF PROPERTY	
Name of designating body	Resolution number	Estimated start date (month, day, year)	
Location of property		Actual start date (month, day, year)	
Description of real property improvements		Estimated completion date (month, day, year)	
		Actual completion date (month, day, year)	
SECTION 3		EMPLOYEES AND SALARIES	
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees			
Salaries			
Number of employees retained			
Salaries			
Number of additional employees			
Salaries			
SECTION 4		COST AND VALUES	
COST AND VALUES		REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1	COST	ASSESSED VALUE	
Values before project			
Plus: Values of proposed project			
Less: Values of any property being replaced			
Net values upon completion of project			
ACTUAL	COST	ASSESSED VALUE	
Values before project			
Plus: Values of proposed project			
Less: Values of any property being replaced			
Net values upon completion of project			
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		Title	Date signed (month, day, year)



**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 5 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.



## CITY OF FRANKLIN

Community Development Department

### Memorandum

**To:** City of Franklin Economic Development Commission

**From:** Rhoni Oliver, Community Development Specialist

**Date:** April 5, 2017

**Re:** Case C 2017-14: Electro-Spec  
Case C 2017-48: Trueblood Oil

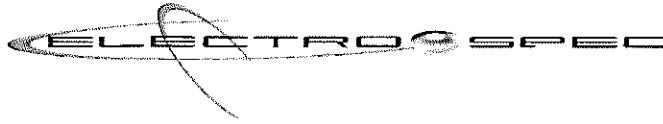
#### Summary:

- On April 6<sup>th</sup>, 2015, the Franklin Common Council passed Resolution No. 2015-09, approving a 3-year vacant building tax abatement for property owned by Electro-Spec located at 3070 RJ Parkway. Also on April 6<sup>th</sup>, 2015, the Franklin Common Council passed Resolution No. 2015-11, approving a 5-year personal property abatement with a 5% economic development fee for Trueblood Oil. Trueblood Oil occupies the property owned by Electro-Spec at 3070 RJ Parkway.
- Actual and estimated benefits, as projected for 2016:

	Estimated on SB-1	Actual in 2016	Difference
Employees Retained	4	5	1
Salaries	\$200,000	\$157,199	-\$42,801
New Employees	5	2	-3
Salaries	\$135,000	\$80,628	-\$54,372
Total Employees	9	7	-2
Total Salaries	\$335,000	\$237,827	-\$97,173
Average Hourly Salaries	\$17.90	\$16.33	\$1.57
Personal Property Improvements	\$1,290,000	\$577,634	-\$712,366
Real Property Improvements	\$75,000	\$465,001	\$390,001

- Trueblood Oil indicated they would add two employees in 2015, 1 employee in 2016, 1 employee in 2017 and 1 employee in 2018. They were successful in adding two employees in 2015. In 2016 Trueblood Oil employed 7 people, which is on schedule. The hourly salary is slightly under the SB-1 estimate.
- The company indicated on their application that they planned to add \$100,000 in personal property in 2015, \$250,000 in 2016; \$250,000 in 2017; \$250,000 in 2018 and \$150,000 in 2019. has exceeded their personal property investment estimated on their SB-1 Form. They are well ahead of schedule.
- The vacant building deduction will expire in 2017 pay 2018. The personal property tax abatement is scheduled to expire in 2019 pay 2020. The final compliance will take place in 2020.

**Staff Recommendation:** Approval



February 22, 2017

Mrs. Krista Linke, Director  
Dept. Of Planning & Economic Development  
70 East Monroe Street  
Franklin, IN 46131

RE: Tax Abatement Compliance for Electro-Spec, Inc.

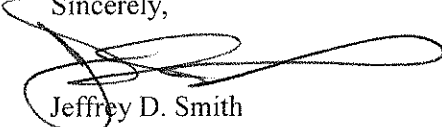
Dear Ms. Linke:

Enclosed please find the CF-1 (Compliance with Statement of Benefits)/ VBD regarding compliance with the vacant building deduction abatement which was granted to Electro-Spec, Inc. under Franklin Common Council Resolution No. 15-09

As you can see from reviewing the enclosed documents, our company has been successful in (1) exceeding the initial capital investment set for 2015, and (2) has hired 2 out of the 5 estimated jobs which had been proposed in the Statement of Benefits (Form SB-1).

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,



Jeffrey D. Smith  
President / CEO  
(317) 738-9199 ext. 924  
jsmith@electro-spec.com

1800 Commerce Parkway  
Franklin, IN 46131  
(317) 738-9199 phone  
(317) 738-9491 fax



# COMPLIANCE WITH STATEMENT OF BENEFITS VACANT BUILDING DEDUCTION

State Form 55183 (2-13)

Prescribed by the Department of Local Government Finance

20 16 PAY 20 17

FORM CF-1 / VBD

This statement is being completed for real property that qualifies under the following Indiana Code (check one box):

- ☐ Eligible vacant building (IC 6-1.1-12.1-4.8)  
☐ Enhanced eligible vacant building (IC 6-1.1-12.1-16)

## 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. Property owners must file this form with the county auditor and the designating body for their review regarding the compliance of the qualifying property with the Statement of Benefits (Form SB-1/VBD).
2. This form must accompany the initial deduction application (Form 322/VBD) that is filed with the county auditor.
3. 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))

SECTION 1 TAXPAYER INFORMATION		
Name of taxpayer Electro-Spec, Inc.	County Johnson	
Address of taxpayer (number and street, city, state, and ZIP code) 1800 Commerce Parkway Franklin, IN 46131	DLGF taxing district number 41-009	
Name of contact person Jeffery D Smith	Telephone number ( 317 ) 738-9199 ext 924	
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY		
Name of designating body City of Franklin Common Council	Resolution number 2015-09	Estimated occupancy date (month, day, year) April 28, 2015
Location of property 3070 RJ Parkway Franklin, IN 46131	Actual occupancy date (month, day, year) April 28, 2015	
Description of eligible vacant building that the property owner or tenant will occupy	Estimated date placed-in-use (month, day, year) April 28, 2015	
Actual date placed-in-use (month, day, year) April 28, 2015		
SECTION 3 EMPLOYEES AND SALARIES		
EMPLOYEES AND SALARIES	AS ESTIMATED ON SB-1	ACTUAL
Current number of employees	4	7
Salaries	200,000.00	237,827.00
Number of employees retained	4	5
Salaries	200,000.00	157,199.00
Number of additional employees	2	2
Salaries	135,000.00	31,673.00
SECTION 4 COST AND VALUES		
COST AND VALUES	REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1	COST	ASSESSED VALUE
Values before project	980,500.00	
Plus: Values of proposed project	75,000.00	
Less: Values of any property being replaced		
Net values upon completion of project	1,055,500.00	
ACTUAL	COST	ASSESSED VALUE
Values before project	980,500.00	
Plus: Values of proposed project	465,001.00	
Less: Values of any property being replaced		
Net values upon completion of project	1,445,501.00	
SECTION 5 UPDATES TO THE ANSWERS PROVIDED IN SECTION 5 OF THE FORM SB-1/VBD, IF ANY (Attach additional sheet(s) if necessary.)		
Building was listed with Cassidy Turley in October 2011 and had been for sale for over 3 years. Trueblood Oil (TOCO) signed a lease agreement on April 28, 2015 for five years with an option to renew the lease upon completion of the original term.		
SECTION 6 TAXPAYER CERTIFICATION		
I hereby certify that the representations in this statement are true.		
Signature of authorized representative 	Title PRESIDENT	Date signed (month, day, year) Feb. 27, 2017

**OPTIONAL: FOR USE BY A DESIGNATING BODY WHO ELECTS TO REVIEW THE COMPLIANCE WITH THE FORM SB-1/VBD**

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/VBD).
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/VBD) 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.

Franklin Asset List 2016							
Quantity	Description	Location	Total	IT/Office	Log/Dist	R&D	Manufact
1	Filter Press	Warehouse	\$3,500				\$3,500
1	Caterpillar FL 474 Forklift	Warehouse	\$2,450				\$2,450
1	Filter Cart	Warehouse	\$7,500				\$7,500
1	Piping Tank Farm & Pumps	Warehouse	\$2,800				\$2,800
9	12" Pumps	Warehouse	\$38,250				\$38,250
1	Executive Desk	Office	\$880	\$880			
1	Air Compressor Air Dryer	Warehouse	\$1,600				\$1,600
1	Sonic Wall T2300 Network Server	Office	\$1,418	\$1,418			
1	Yale Forklift	warehouse	\$3,000				\$3,000
1	Honda GX630 Power Washer	warehouse	\$5,368				\$5,368
1	Digital Scales	warehouse	\$1,552				\$1,552
1	Oil Filtration System	Vacuum Dehydrator	\$39,040				\$39,040
1	Oil Filtration System	Portable Flushing System	\$16,130				\$16,130
TOTALS			\$123,487	\$2,298	\$0	\$0	\$121,190
2015 Totals			\$454,147	\$20,135	\$79,943	\$73,929	\$280,140
To-Date Totals End of 2016			\$577,634	\$22,433	\$79,943	\$73,929	\$401,330

# 2016 PAYROLL

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	TOTAL
BALLARD, ALAN	6,447.08				6,447.08
LOVELLETTE, STEVE	5,279.12				5,279.12
MONROE, JEREMY	9,086.13	11,049.90	9,263.39	10,716.27	40,115.69
PORTER, BRETT	4,995.38	5,465.13	4,851.88	6,717.53	22,029.92
SCHIRTZINGER, JIM	4,615.38	10,769.22	13,299.76	10,769.22	39,453.58
TAYLOR, DAVID	9,070.76	9,888.00	8,206.00	10,064.00	37,228.76
THOMAS, KYLE	11,600.00	15,400.00	13,200.00	15,400.00	55,600.00
THOMAS, MAX	7,500.00	1,500.00			9,000.00
WEST, ROY		173.07	10,384.56	12,115.32	22,672.95
	58,593.85	54,245.32	59,205.59	65,782.34	237,827.10

**COMPLIANCE WITH STATEMENT OF BENEFITS  
PERSONAL PROPERTY**

State Form 51769 (R4 / 11-16)

Prescribed by the Department of Local Government Finance

**FORM CF-1 / PP****PRIVACY NOTICE**This form contains information  
confidential pursuant to  
IC 6-1.1-35-9 and IC 6-1.1-12.1-5.6.

- 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 January 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 January 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).

<b>SECTION 1 TAXPAYER INFORMATION</b>									
Name of taxpayer Trueblood Oil Co., Inc.						County Sullivan			
Address of taxpayer (number and street, city, state, and ZIP code) 11792 US Hwy 41 N, P.O. Box 18 Farmersburg, IN 47850						DLGF taxing district number			
Name of contact person M. William Thomas						Telephone number ( 812 ) 696-5151			
<b>SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY</b>									
Name of designating body City of Franklin Common Council					Resolution number 15-11		Estimated start date (month, day, year)		
Location of property 3070 RJ Parkway Franklon, IN 46131							Actual start date (month, day, year)		
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired. SEE ATTACHED							Estimated completion date (month, day, year)		
							Actual completion date (month, day, year)		
<b>SECTION 3 EMPLOYEES AND SALARIES</b>									
<b>EMPLOYEES AND SALARIES</b>						<b>AS ESTIMATED ON SB-1</b>		<b>ACTUAL</b>	
Current number of employees						4		7	
Salaries						200,000.00		237,827.00	
Number of employees retained						4		5	
Salaries						250,000.00		157,199.00	
Number of additional employees						2		2	
Salaries						135,000.00		31,673.00	
<b>SECTION 4 COST AND VALUES</b>									
		<b>MANUFACTURING EQUIPMENT</b>		<b>R &amp; D EQUIPMENT</b>		<b>LOGIST DIST EQUIPMENT</b>		<b>IT EQUIPMENT</b>	
<b>AS ESTIMATED ON SB-1</b>		<b>COST</b>	<b>ASSESSED VALUE</b>	<b>COST</b>	<b>ASSESSED VALUE</b>	<b>COST</b>	<b>ASSESSED VALUE</b>	<b>COST</b>	<b>ASSESSED VALUE</b>
Values before project									
Plus: Values of proposed project		1,000,000.00		80,000.00		200,000.00		10,000.00	
Less: Values of any property being replaced									
Net values upon completion of project									
<b>ACTUAL</b>		<b>COST</b>	<b>ASSESSED VALUE</b>	<b>COST</b>	<b>ASSESSED VALUE</b>	<b>COST</b>	<b>ASSESSED VALUE</b>	<b>COST</b>	<b>ASSESSED VALUE</b>
Values before project									
Plus: Values of proposed project		401,330.00		73,929.00		79,943.00		22,433.00	
Less: Values of any property being replaced									
Net values upon completion of project									
NOTE: The COST of the property is confidential pursuant to IC 6-1.1-12.1-5.6(c).									
<b>SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER</b>									
<b>WASTE CONVERTED AND OTHER BENEFITS</b>						<b>AS ESTIMATED ON SB-1</b>		<b>ACTUAL</b>	
Amount of solid waste converted									
Amount of hazardous waste converted									
Other benefits:									
<b>SECTION 6 TAXPAYER CERTIFICATION</b>									
I hereby certify that the representations in this statement are true.									
Signature of authorized representative 				Title President		Date signed (month, day, year) 2/21/2017			



**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 6-1.1-12.1-5.9)**

1. This page does not apply to a Statement of Benefits filed before July 1, 1991; that deduction may not be terminated for a failure to comply with the Statement of Benefits.
2. Within 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.
3. 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. If a notice is mailed to a property owner, a copy of the written notice will be sent to the County Assessor and the County Auditor.
4. Based on the information presented at the hearing, the designating body shall determine whether or not the property owner has made reasonable effort to substantially comply with the Statement of Benefits and whether any failure to substantially comply was caused by factors beyond the control of the property owner.
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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.

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 5 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 clerk of 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.

TRUEBLOOD OIL CO, INC.

P.O. Box 18

11792 US Highway 41 North

Farmersburg, IN 47850

*Formulating  
Lubricants  
For the Future*

Krista Linke, Director  
Franklin Economic Development Department  
70 E. Monroe Street  
Franklin, IN 46131

February 21, 2017

Re: Job Creation

While it has been the intention of Trueblood Oil Co., Inc. (TOCO) to employ nine (9) associates by the end of 2016 we only employed seven (7). Please take into consideration that our facility has created a need for AT Environmental to maintain an office in our Franklin facility and employ two (2) full time positions.

Wages do show a lower amount because we lost one (1) employee in the 1<sup>st</sup> quarter and were not able to replace that position until the 3<sup>rd</sup> quarter. Our 4<sup>th</sup> quarter wages in 2016 annualize out to \$263,129.

We did hire an additional person in January of 2017 and plan to hire a CDL driver within the next couple months.

I appreciate the assistance from the Economic Development Department and plan to continue to grow our Franklin footprint.

Regards,



M. William Thomas  
President

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We did hire an additional person in January of 2017 and plan to hire a CDL driver within the next couple months.

I appreciate the assistance from the Economic Development Department and plan to continue to grow our Franklin footprint.

Regards,



M. William Thomas  
President



# COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51765 (R4 / 11-16)

Prescribed by the Department of Local Government Finance

FORM CF-1 / PP

**PRIVACY NOTICE**This form contains information  
confidential pursuant to  
IC 6-1.1-35-9 and IC 6-1.1-12.1-5.6.

- 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 January 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 January 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 Trueblood Oil Co., Inc.		County Sullivan
Address of taxpayer (number and street, city, state, and ZIP code) 11792 US Hwy 41 N. P.O. Box 18 Farmersburg, IN 47850		DLGF taxing district number
Name of contact person M. William Thomas		Telephone number ( 812 ) 696-5151
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY		
Name of designating body City of Franklin Common Council	Resolution number 15-11	Estimated start date (month, day, year)
Location of property 3070 RJ Parkway Franklon, IN 46131		Actual start date (month, day, year)
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired. SEE ATTACHED		Estimated completion date (month, day, year)
		Actual completion date (month, day, year)

SECTION 3 EMPLOYEES AND SALARIES			
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		4	7
Salaries		200,000.00	237,827.00
Number of employees retained		4	5
Salaries		200,000.00	157,199.00
Number of additional employees		2	2
Salaries		135,000.00	91,673.00

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								
Plus: Values of proposed project	1,000,000.00		80,000.00		200,000.00		10,000.00	
Less: Values of any property being replaced								
Net values upon completion of project								
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project								
Plus: Values of proposed project	401,330.00		73,929.00		79,943.00		22,433.00	
Less: Values of any property being replaced								
Net values upon completion of project								

**NOTE:** The **COST** of the property is confidential pursuant to IC 6-1.1-12.1-5.6(c).

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 	Title President	Date signed (month, day, year) 2/21/2017

**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.**

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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.

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 5 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 clerk of 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.

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1	Piping Tank Farm & Pumps	Warehouse	\$2,800				\$2,800
9	2" Pumps	Warehouse	\$38,250				\$38,250
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1	Digital Scales	warehouse	\$1,552				\$1,552
1	Oil Filtration System	Vacumn Dehydrator	\$39,040				\$39,040
1	Oil Filtration System	Portable Flushing System	\$16,130				\$16,130
TOTALS			\$123,487	\$2,298	\$0	\$0	\$121,190
2015 Totals			\$454,147	\$20,135	\$79,943	\$73,929	\$280,140
To-Date Totals End of 2016			\$577,634	\$22,433	\$79,943	\$73,929	\$401,330



# CITY OF FRANKLIN

Community Development Department

## Memorandum

**To:** City of Franklin Economic Development Commission

**From:** Rhoni Oliver, Community Development Specialist

**Date:** April 5, 2017

**Re:** **Case C 2017-17: GROK Enterprises (Res. 11-02)**  
**Case C 2017-33: Nitrex (Res. 11-02)**

### Summary:

- On June 6<sup>th</sup>, 2011, the Franklin Common Council passed Resolution No. 2011-02, approving a 10-year tax abatement on real property with a 2% Economic Development Fee and a 10-year tax abatement on \$2,913,050 in personal property with a 5% Economic Development Fee for GROK Enterprises, LLC (Real Property) and Nitrex, Inc. (Personal Property), located 300 Blue Chip Court. In 2013, through Resolution No. 2013-16, the Franklin Common Council amended the personal property tax abatement to \$6,300,000 in personal property and extended the completion date through the end of 2014 for the project.
- Actual and estimated benefits, as projected for 2016:

	Estimated on SB-1	Actual in 2016	Difference
Employees Retained	25	20	(5)
Salaries	\$881,567	\$740,974	-\$140,593
New Employees	12	5	(7)
Salaries	\$341,974	\$204,214	-\$137,760
Total Employees	37	25	(12)
Total Salaries	\$1,223,541	\$945,188	-\$278,353
Average Hourly Salaries	\$15.90	\$18.18	\$2.28
Personal Property Improvements	\$6,300,000	\$6,253,343	-\$46,657
Real Property Improvements	\$850,000	\$915,000	\$65,000

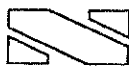
- This company exceeded the total number of employees estimated on their SB-1 Form for the first time in 2014, they had 39 employees. As noted in the cover letter from Nitrex President Chris Morawski, they suffered a decline in job creation during 2015, due to a major downturn in manufacturing. They have cautiously begun to hire employees again in 2016. The average hourly wage for the remaining employees has increased from \$15.79 in 2014 to \$16.70 in 2015. In 2016 the total number of employees was 25, which is 12 lower than SB-1 estimates. The average hourly salary increased to \$18.18, which is higher than estimated.
- Their original abatement application indicated that they would not purchase any equipment in 2011 but they purchased \$241,525. They estimated purchasing \$1,499,050 in 2012 but they purchased \$1,120,036. \$1,414,000 was purchased in 2013 for a total of \$2,913,050. Their amended application gave them an additional year to purchase additional equipment. They

were successful in purchasing \$3,393,300 of equipment in 2014. They do not plan on purchasing any additional equipment through this tax abatement.

5. Their personal property tax abatement (Nitrex) is scheduled to expire in tax year 2023 payable 2024. Their final compliance review will take place in 2024.
6. The real property tax abatement (GROK) is scheduled to expire in tax year 2021 payable 2022. The final compliance review will take place in 2022.

**Staff Recommendation:** Approval





## NITREX INC. – INDIANA OPERATIONS

Plant

350 BLUE CHIP COURT, FRANKLIN, IN 46131  
PHONE: 317-346-7700 • FAX: 317-346-7704

Corporate Address

201 E. MAYFLOWER AVE., NORTH LAS VEGAS, NV 89030  
PHONE: 702-399-1554 • FAX: 702-639-3819

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

---

February 3, 2017

Ref.: (1) 2016 Tax Abatement Compliance Packet for Nitrex Inc.  
(2) Resolutions 2011-02, 2011-03 and 2013-16.

Dear Ms. Linke,

Enclosed please find Form CF-1/PP (Compliance with Statement of Benefits) regarding compliance with the personal property tax abatements which were granted to Nitrex Inc. pursuant to our application made in May 2011, and further expanded pursuant to our amended application in May 2013. As can be seen from reviewing the enclosed documents, in the context of the revised application, our company:

- a) having reached the originally planned investment two years ago, subject to the referenced abatement, there is virtually no change within the scope of that project, except a small downward adjustment in the final cost of one asset and one small disposal, the total of the foregoing amounting to a little under \$94,000;
- b) has experienced virtually no change in job creation in the past twelve months, but I am happy to report a small increase in total payroll.

If you have any questions or concerns regarding this matter, please feel free to contact me at 702-399-1554 x-101.

Cordially yours,

Chris Morawski  
President / Nitrex Inc.

cc.: Isabelle Morawski – Controller  
Jim Cooper – Plant Manager



# COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51765 (R4 / 11-16)

Prescribed by the Department of Local Government Finance

FORM CF-1/PP

## PRIVACY NOTICE

This form contains information  
confidential pursuant to  
IC 6-1.1-35-9 and IC 6-1.1-12.1-5.6.

- 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 January 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 January 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 <b>Nitrex Inc.</b>	County <b>Johnson</b>	
Address of taxpayer (number and street, city, state, and ZIP code) <b>350 Blue Chip Court, Franklin, IN 46131 - Mailing address: 201 E Mayflower Ave., N. Las Vegas, NV 89030</b>	DLGF taxing district number	
Name of contact person <b>Isabelle Morawski</b>	Telephone number <b>( 702 ) 399-1554</b>	
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY		
Name of designating body <b>Franklin City Council</b>	Resolution number <b>2011-02- &amp; 2013-16</b>	Estimated start date (month, day, year) <b>07/01/2011</b>
Location of property <b>PT. of 2100 - 2110 Earlywood</b>	Actual start date (month, day, year) <b>07/01/2011</b>	
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired.	Estimated completion date (month, day, year) <b>12/31/2014</b>	
	Actual completion date (month, day, year) <b>12/31/2014</b>	

SECTION 3 EMPLOYEES AND SALARIES			
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		25	25
Salaries		881,567.00	945,189.00
Number of employees retained		25	5
Salaries		881,567.00	204,214.00
Number of additional employees		12	20
Salaries		341,974.00	740,974.00

SECTION 4 COST AND VALUES								
AS ESTIMATED ON SB-1	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	1,786,059.00	595,353.00						
Plus: Values of proposed project	6,300,000.00	2,100,000.00						
Less: Values of any property being replaced	3,659.00	1,220.00						
Net values upon completion of project	8,082,400.00	2,694,133.00						
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	1,786,059.00	595,353.00						
Plus: Values of proposed project	6,253,343.00	2,084,448.00						
Less: Values of any property being replaced	93,704.00	31,235.00						
Net values upon completion of project	7,945,698.00	2,648,566.00						

**NOTE:** The COST of the property is confidential pursuant to IC 6-1.1-12.1-5.6(c).

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>IMorawski</i>	Title <b>CONTROLLER</b>	Date signed (month, day, year) <b>02/03/2016</b>

**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 6-1.1-12.1-5.9)**

1. This page does not apply to a Statement of Benefits filed before July 1, 1991; that deduction may not be terminated for a failure to comply with the Statement of Benefits.
2. Within 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.
3. 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. If a notice is mailed to a property owner, a copy of the written notice will be sent to the County Assessor and the County Auditor.
4. Based on the information presented at the hearing, the designating body shall determine whether or not the property owner has made reasonable effort to substantially comply with the Statement of Benefits and whether any failure to substantially comply was caused by factors beyond the control of the property owner.
5. If the designating body determines that the property owner has **NOT** made reasonable effort to comply, then the designating body shall adopt a resolution terminating the deduction. 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.

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 5 above)

Reasons for the determination (attach additional sheets if necessary)

Signature of authorized member

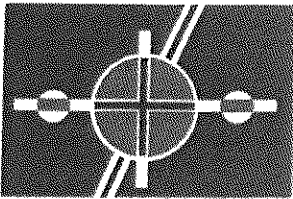
Date signed (month, day, year)

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 clerk of 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.



## GROK ENTERPRISES, LLC

SAN DIEGO OFFICE:  
300 CARLSBAD VILLAGE DR  
SUITE 108A, BOX 186  
CARLSBAD, CA 92008

OFFICE: 760-609-4645  
FAX: 760-720-2956  
MOBILE: 760-604-5049  
E-mail: grokllc@prodigy.net

February 26, 2017

Krista Linke, Director  
Franklin Economic Development Department  
70 E. Monroe Street  
Franklin, IN 4613

Re: Tax Abatement Compliance, GROK Enterprises, LLC for 300 Blue Chip Court - Nitrex  
Building Council Resolution 11-02

Dear Ms. Linke,

Enclosed please find Form CF-1 RE (Compliance with Statement of Benefits) regarding  
compliance for the real property tax abatements which were granted to GROK ENTERPRISES,  
LLC.

As can be seen from a review of the enclosed document, the new building continues to be rented  
by Nitrex-Indiana Operations who will be filing their own separate CF-1 which reflects their  
continued growth and their projected capital investment..

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

Best regards,

Thomas Rose  
President. Grok Enterprises, LLC

Enclosures:  
FRM CF-1 for 2016  
Expansion Investment Schedule - Real Property  
Building/Construction and Occupancy Status Report

**COMPLIANCE WITH STATEMENT OF BENEFITS  
REAL ESTATE IMPROVEMENTS**

State Form 51766 (R3 / 2-13)

Prescribed by the Department of Local Government Finance

20\_\_ PAY 20\_\_

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 <b>GROK ENTERPRISES, LLC</b>		County <b>JOHNSON</b>	
Address of taxpayer (number and street, city, state, and ZIP code) <b>300 CARLSBAD VILLAGE DRIVE, STE 108A, BOX 186</b>		DLGF taxing district number <b>31</b>	
Name of contact person <b>THOMAS C ROSE</b>		Telephone number <b>( 760 ) 604-5049</b>	
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY			
Name of designating body <b>FRANKLIN CITY COUNCIL</b>		Resolution number <b>11-02</b>	Estimated start date (month, day, year) <b>JULY 2011</b>
Location of property <b>300 BLUE CHIP CT., FRANKLIN, IN</b>		Actual start date (month, day, year) <b>JULY 2011</b>	
Description of real property improvements <b>BUILDING AT 300 BLUE CHIP COURT</b>		Estimated completion date (month, day, year) <b>JULY 2012</b>	
		Actual completion date (month, day, year) <b>JULY 2012</b>	
SECTION 3 EMPLOYEES AND SALARIES			
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees			
Salaries			
Number of employees retained			
Salaries			
Number of additional employees			
Salaries			
SECTION 4 COST AND VALUES			
COST AND VALUES		REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1	COST	ASSESSED VALUE	
Values before project	0		
Plus: Values of proposed project	850,000		
Less: Values of any property being replaced			
Net values upon completion of project	850,000		
ACTUAL	COST	ASSESSED VALUE	
Values before project	915,000		
Plus: Values of proposed project			
Less: Values of any property being replaced			
Net values upon completion of project	915,000		
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>Thomas C Rose</i>		Title <b>PRESIDENT - GROK LLC</b>	Date signed (month, day, year) <b>02-25-2017</b>

# 2016 EXPANSION INVESTMENT SCHEDULE

FOR

GROK ENTERPRISES, LLC

NITREX-INDIANA OPERATION

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

	Actual Amount of Investment in 2016	Proposed Amount of Investment in 2016	Actual Amount of Investment Added by Year During Quarter				Actual Total Amount of Investment as of 12/31/2016	Difference between Actual and Proposed Amount of Investment
			3/16	6/16	9/16	12/16		
Buildings and Improvements	0	0	0	0	0	0	\$915,000 (previous year)	+\$65,000 (previous year)
Machinery & Equipment	Supplied by Nitrex		Supplied by Nitrex	Supplied by Nitrex	Supplied by Nitrex	Supplied by Nitrex	Supplied by Nitrex	
Totals	Supplied by Nitrex		Supplied by Nitrex	Supplied by Nitrex	Supplied by Nitrex	Supplied by Nitrex	Supplied by Nitrex	

CONSTRUCTION AND OCCUPANCY STATUS REPORT 2016  
GROK ENTERPRISES, LLC

NITREX-INDIANA OPERATIONS  
300-350 BLUE CHIP COURT, FRANKLIN, IN 46131

Construction of the new building began in 2011 and was completed for occupancy in July 2012. In August of 2012, Nitrex employees began the task of moving and installing the heat treating furnaces, outfitting the offices and moving the metallurgical lab. The office work and metallurgical lab was completed by Dec 2012. In addition, Nitrex-Indiana continues to provide heat treating services to Cummins Engine, Eaton Aerospace, Illinois Tool Works, Timron Gear and several other major customers.

Nitrex-Indiana has installed new Gas Nitride equipment and continues to install additional processing capabilities.

Nitrex-Indiana continues to occupy 100% of both buildings located at 300 & 350 Blue Chip Court.



## CITY OF FRANKLIN

Community Development Department

### Memorandum

**To:** City of Franklin Economic Development Commission  
**From:** Rhoni Oliver, Community Development Specialist  
**Date:** April 24, 2017  
**Re:** Case C 2017-19: Hetsco

#### Summary:

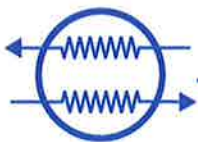
- On July 21<sup>st</sup>, 2014, the Franklin Common Council passed Resolution No. 2014-09, approving a 10-year tax abatement on real property and a 5-year tax abatement on personal property for Hetsco, Inc., located at 1725 N. Graham Road.
- Actual and estimated benefits, as projected for 2016:

	Estimated on SB-1	Actual in 2016	Difference
Employees Retained	49	49	0
Salaries	\$3,066,000	\$3,066,000	\$0
New Employees	40	33	(7)
Salaries	\$2,271,000	\$1,126,712	-\$1,144,288
Total Employees	89	82	(7)
Total Salaries	\$5,337,000	\$4,192,712	-\$1,144,288
Average Hourly Salaries	\$28.83	\$24.58	-\$4.25
Personal Property Improvements	\$400,000	\$855,875	\$455,875
Real Property Improvements	\$2,770,000	\$2,216,176	-\$553,824

- Hetsco estimated in their application that they would hire 10 employees in 2015, 10 employees in 2016, 10 employees in 2017, and another 10 employees in 2018, for a total of 40 additional employees. They are well ahead of schedule for 2016, though the hourly salary is under the estimate.
- Their personal property investment is more than double what was estimated on their SB-1 Form.
- Hetsco estimated in their application that they would invest \$2,770,000 in real property improvements by the end of 2015. As stated in the table above, they have not yet met their estimate, but they have increased their real property investment by \$81,198 in 2016.
- The personal property tax abatement for Hetsco is scheduled to expire in 2019 payable 2020. The real property tax abatement for Hetsco is scheduled to expire in tax year 2024 payable 2025. The final compliance review will take place in 2025.

**Staff Recommendation:** Approval





**HETSCO, INC.**

---

1725 N Graham Road Franklin, IN 46131  
Phone (317) 535-4315 • Fax (317) 739-3349

**April 20, 2017**

**City of Franklin  
Attn: Rhoni Oliver  
70 E. Monroe Street  
Franklin, IN 46131**

**Dear Ms. Oliver:**

**Enclosed please find Forms CF-1/RE and CF-1/PP (Compliance with Statement of Benefits) regarding compliance with real property and personal property tax abatement which were granted to Hetsco, Inc. in 2014 under Franklin Common Council Resolution number 14-09.**

**As indicated with the enclosed documents, Hetsco has completed approximately 80% of the estimated real property investment and exceeded the personal property estimate by almost 114%.**

**Additionally we have added 33 associates, just short of 83% of our long range estimate.**

**We would anticipate the City of Franklin to view our accomplishments favorably as we continue to move forward with the creation of jobs and to invest in our real and personal property.**

**Please review all of the enclosed documents and if you have any questions or concerns regarding this matter, feel free to contact me at 317-535-4315.**

**Sincerely**

**W.S. Willard  
Senior Vice President**

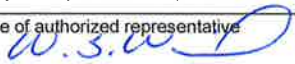
**COMPLIANCE WITH STATEMENT OF BENEFITS  
PERSONAL PROPERTY**

State Form 51765 (R2 / 5-13)

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 <b>Hetsco, Inc.</b>								
Address of taxpayer (number and street, city, state, and ZIP code) <b>1725 N Graham Road Franklin, IN 46131</b>								
Name of contact person <b>W.S. Willard</b>	Telephone number <b>( 317 ) 535-4315</b>							
SECTION 2		LOCATION AND DESCRIPTION OF PROPERTY						
Name of designating body <b>The City of Franklin Common Council</b>		Resolution number <b>14-09</b>						
Location of property <b>1725 N Graham Road Franklin, IN 46131</b>	County <b>Johnson</b>	DLGF taxing district number <b>41009</b>						
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired. <b>Welding Machines, Manipulator, Office Equipment, Vehicles</b>		Estimated starting date (month, day, year) <b>08/01/2014</b>						
		Estimated completion date (month, day, year) <b>12/31/2015</b>						
SECTION 3		EMPLOYEES AND SALARIES						
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL					
Current number of employees		49.00	49.00					
Salaries		3,066,000.00	3,066,000.00					
Number of employees retained		49.00	49.00					
Salaries		3,066,000.00	3,066,000.00					
Number of additional employees		40.00	33.00					
Salaries		2,271,000.00	1,126,712.00					
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	400,000.00							
Less: Values of any property being replaced	0.00							
Net values upon completion of project	400,000.00							
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	0.00							
Plus: Values of proposed project	400,000.00							
Less: Values of any property being replaced	0.00							
Net values upon completion of project	855,875.00							
<b>NOTE:</b> The <b>COST</b> 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		0.00	0.00					
Amount of hazardous waste converted		0.00	0.00					
Other benefits:		0.00	0.00					
SECTION 6		TAXPAYER CERTIFICATION						
I hereby certify that the representations in this statement are true.								
Signature of authorized representative 	Title <b>Senior Vice President</b>	Date signed (month, day, year) <b>April 21, 2017</b>						

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 6-1.1-12.1-5.9)

1. This page does not apply to a Statement of Benefits filed before July 1, 1991; that deduction may not be terminated for a failure to comply with the Statement of Benefits.
2. Within 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.
3. 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. If a notice is mailed to a property owner, a copy of the written notice will be sent to the Township Assessor and the County Auditor.
4. Based on the information presented at the hearing, the designating body shall determine whether or not the property owner has made reasonable effort to substantially comply with the Statement of Benefits.
5. If the designating body determines that the property owner has **NOT** made reasonable effort to comply, then the designating body shall adopt a resolution terminating the deduction. The designating body shall immediately mail a certified copy of the resolution to: (1) the property owner; (2) the County Auditor; and (3) the Township 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.

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 5 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.



# COMPLIANCE WITH STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51766 (R3 / 2-13)

Prescribed by the Department of Local Government Finance

20 17 PAY 20 18

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 Hetsco Inc	County Johnson	
Address of taxpayer (number and street, city, state, and ZIP code) 1725 N Graham Road Franklin, IN 46131	DLGF taxing district number 41009	
Name of contact person W.S. Willard (Senior V.P.)	Telephone number ( 317 ) 535-4315	
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY		
Name of designating body The City of Franklin Common Council	Resolution number 14-09	Estimated start date (month, day, year) 08/01/2014
Location of property 1725 N Graham Road Franklin, IN 46131	Actual start date (month, day, year) 12/01/2014	
Description of real property improvements Complete Construction of Shell Building, Parking, Landscaping	Estimated completion date (month, day, year) 12/31/2015	
		Actual completion date (month, day, year) 05/15/2015
SECTION 3 EMPLOYEES AND SALARIES		
EMPLOYEES AND SALARIES	AS ESTIMATED ON SB-1	ACTUAL
Current number of employees	49	49
Salaries	3,066,000.00	3,066,000.00
Number of employees retained	49	49
Salaries	3,066,000.00	3,066,000.00
Number of additional employees	40	33
Salaries	2,271,000.00	1,126,712.00
SECTION 4 COST AND VALUES		
COST AND VALUES	REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1	COST	ASSESSED VALUE
Values before project	0	
Plus: Values of proposed project	2,770,000.00	
Less: Values of any property being replaced	0	
Net values upon completion of project	2,770,000.00	
ACTUAL	COST	ASSESSED VALUE
Values before project	0	
Plus: Values of proposed project	2,216,176.00	
Less: Values of any property being replaced	0	
Net values upon completion of project	2,216,176.00	
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	N/A	N/A
Amount of hazardous waste converted	N/A	N/A
Other benefits:	N/A	N/A
SECTION 6 TAXPAYER CERTIFICATION		
I hereby certify that the representations in this statement are true.		
Signature of authorized representative 	Title Senior Vice President	Date signed (month, day, year) April 21, 2017

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 5 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.



# CITY OF FRANKLIN

Community Development Department

## Memorandum

**To:** City of Franklin Economic Development Commission  
**From:** Rhoni Oliver, Community Development Specialist  
**Date:** April 24, 2017  
**Re:** Case C 2017-20: Indiana Hydraulic Equipment Corp. (Formerly Nishina)

### Summary:

1. On October 23<sup>rd</sup>, 2006, the Franklin Common Council passed Resolution No. 2006-08, approving a 10-year tax abatement on real property and a 10-year tax abatement on personal property for Indiana Hydraulic Equipment Corporation (formerly Nishina Industries) located at 2000 Commerce Parkway (Musicland Drive was renamed to Commerce Parkway in 2010).
2. Actual and estimated benefits, as projected for 2016:

	Estimated on SB-1	Actual in 2016	Difference
New Employees	34	36	2
Salaries	\$1,320,000	\$1,145,868	-\$174,132
Average Hourly Salaries	\$18.67	\$15.30	-\$3.36
Real Property Improvements	\$5,190,000	\$6,135,541	\$945,541
Personal Property Improvements	\$7,000,000	\$6,504,479	-\$495,521

3. This company exceeded their estimate provided on their SB-1 Form for Real Property by \$945,541 and is below the estimate for personal property by \$495,521, which is due to the sale of equipment.
4. Their original estimate was to hire 7 employees in 2007, an additional 13 employees in 2008, and the remaining 14 in 2009, for a total of 34 employees. They reported 23 employees at the end of 2010. They increased to 25 at the end of 2011. They reported 32 employees at the close of 2013 and 34 employees at the end of 2014. In 2016 Indiana Hydraulic Equipment exceeded the SB-1 estimate for the number of employees, but the average hourly salary is \$3.36 less than estimated.
5. The personal and real property tax abatements for Indiana Hydraulic Equipment Corporation are scheduled to expire in tax year 2017 payable 2018. The final compliance review will take place in 2018.

**Staff Recommendation:** Approval

Indiana Hydraulic Equipment Corp.  
2000 Musicland Dr.  
Franklin, IN 46131  
E-Mail: [mike.winters@tina.toyota-industries.com](mailto:mike.winters@tina.toyota-industries.com)

Phone: 812-342-5156

February 19, 2017

City of Franklin  
Attn: Krista Linke  
70 E. Monroe Street  
Franklin, Indiana 46131

RE: 2016 Tax Abatement Compliance Packet for Indiana Hydraulic Equipment Corp.

Dear Ms. Linke,

Enclosed, please find attached Form CF-1 (Compliance with Statement of Benefits) regarding our compliance with the real and personal property tax abatements which were granted to Indiana Hydraulic Equipment, Corp. through Nishina Industrial Co., Ltd. in 2006 by the Franklin Common Council in Resolution No. 2006-08.

As can be seen from reviewing the enclosed documents, our company has been successful in

- (a) making all of the capital investment which had been projected for the past year, and
- (b) creating the full complement of jobs which had been proposed in the Statement of Benefits (Form SB-1) which was approved by the City of Franklin.

Please review the attached documents and feel free to contact me if you have any questions or concerns regarding this matter at 812-342-5156.

Thank you again for your consideration of our report and your continuing support Indiana Hydraulic Equipment, Corp.

Sincerely,



Mike Winters  
Senior Tax Analyst  
(812)342-5156  
[mike.winters@tina.toyota-industries.com](mailto:mike.winters@tina.toyota-industries.com)

Enclosures (2)





# COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51765 (R4 / 11-16)

Prescribed by the Department of Local Government Finance

FORM CF-1 / PP

## PRIVACY NOTICE

This form contains information  
confidential pursuant to  
IC 6-1.1-35-9 and IC 6-1.1-12.1-5.6.

- 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 January 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 January 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 <b>INDIANA HYDRAULIC EQUIPMENT CORP</b>	County <b>JOHNSON</b>
Address of taxpayer (number and street, city, state, and ZIP code) <b>2000 MUSICLAND DRIVE, FRANKLIN, IN 46131</b>	DLGF taxing district number <b>41009</b>
Name of contact person: <b>MIKE WINTERS</b>	Telephone number <b>( 812 ) 342-5176</b>

SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY		
Name of designating body <b>FRANKLIN COMMON COUNCIL</b>	Resolution number <b>2006-08</b>	Estimated start date (month, day, year) <b>03/31/2007</b>
Location of property <b>2000 MUSICLAND DR, FRANKLIN, IN 46131</b>		Actual start date (month, day, year) <b>3/31/2007</b>
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired. <b>NEW EQUIPMENT FOR THE MACHINING, ASSEMBLY, INSPECTION, AND PAINTING OF HYDRAULIC COMPONENTS FOR FORKLIFTS AND OTHER OEM APPLICATIONS</b>		Estimated completion date (month, day, year) <b>12/31/2008</b>
		Actual completion date (month, day, year) <b>12/31/2008</b>

SECTION 3 EMPLOYEES AND SALARIES			
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees			
Salaries			
Number of employees retained			
Salaries			
Number of additional employees		<b>34</b>	<b>36</b>
Salaries		<b>1,320,000.00</b>	<b>1,145,968.00</b>

SECTION 4 COST AND VALUES								
AS ESTIMATED ON SB-1	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project								
Plus: Values of proposed project	<b>7,000,000.00</b>							
Less: Values of any property being replaced								
Net values upon completion of project	<b>7,000,000.00</b>							
<b>ACTUAL</b>	<b>COST</b>	<b>ASSESSED VALUE</b>	<b>COST</b>	<b>ASSESSED VALUE</b>	<b>COST</b>	<b>ASSESSED VALUE</b>	<b>COST</b>	<b>ASSESSED VALUE</b>
Values before project								
Plus: Values of proposed project	<b>6,504,479.00</b>	<b>1,171,647.04</b>						
Less: Values of any property being replaced								
Net values upon completion of project	<b>6,504,479.00</b>	<b>1,171,647.04</b>						

NOTE: The COST of the property is confidential pursuant to IC 6-1.1-12.1-5.6(c).

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  <b>ROSALENE PAPPAS</b>	Title <b>SR. TAX MGR</b>	Date signed (month, day, year) <b>2/28/17</b>



**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 6-1.1-12.1-5.9)**

1. This page does not apply to a Statement of Benefits filed before July 1, 1991; that deduction may not be terminated for a failure to comply with the Statement of Benefits.
2. Within 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.
3. 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. If a notice is mailed to a property owner, a copy of the written notice will be sent to the County Assessor and the County Auditor.
4. Based on the information presented at the hearing, the designating body shall determine whether or not the property owner has made reasonable effort to substantially comply with the Statement of Benefits and whether any failure to substantially comply was caused by factors beyond the control of the property owner.
5. If the designating body determines that the property owner has **NOT** made reasonable effort to comply, then the designating body shall adopt a resolution terminating the deduction. 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:			
<input type="checkbox"/> the property owner IS in substantial compliance <input type="checkbox"/> the property owner IS <b>NOT</b> in substantial compliance <input type="checkbox"/> 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.			
Time of hearing <input type="checkbox"/> AM <input type="checkbox"/> PM	Date of hearing (month, day, year)	Location of hearing	
<b>HEARING RESULTS (to be completed after the hearing)</b>			
<input type="checkbox"/> Approved <input type="checkbox"/> Denied (see instruction 5 above)			
Reasons for the determination (attach additional sheets if necessary)			
Signature of authorized member			Date signed (month, day, year)
Attested by:		Designating body	
<b>APPEAL RIGHTS [IC 6-1.1-12.1-5.9(e)]</b>			
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 clerk of 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.			


**COMPLIANCE WITH STATEMENT OF BENEFITS  
REAL ESTATE IMPROVEMENTS**

State Form 51766 (R3 / 2-13)

Prescribed by the Department of Local Government Finance

2016 PAY 2017

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 <b>INDIANA HYDRAULIC EQUIPMENT CORP</b>	County <b>JOHNSON</b>
Address of taxpayer (number and street, city, state, and ZIP code) <b>2000 MUSICLAND DR, FRANKLIN, IN 46131</b>	D.L.G.F. taxing district number <b>41-009</b>
Name of contact person <b>MIKE WINTERS</b>	Telephone number <b>( 812 ) 342-5156</b>

SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY		
Name of designating body <b>FRANKLIN COMMUNITY COUNCIL</b>	Resolution number <b>2006-08</b>	Estimated start date (month, day, year) <b>12/01/2006</b>
Location of property <b>2000 MUSICLAND DR, FRANKLIN, IN 46131</b>		Actual start date (month, day, year) <b>12/01/2006</b>
Description of real property improvements <b>CONSTRUCT NEW MANUFACTURING FACILITY TO BE LOCATED ON APPROXIMATELY 25 CURRENTLY UNIMPROVED ACRES IN FRANKLIN.</b>		Estimated completion date (month, day, year) <b>11/30/2007</b>
		Actual completion date (month, day, year) <b>11/30/2007</b>

SECTION 3 EMPLOYEES AND SALARIES		
EMPLOYEES AND SALARIES	AS ESTIMATED ON SB-1	ACTUAL
Current number of employees	0	0
Salaries	0.00	0.00
Number of employees retained	0	0
Salaries	0.00	0.00
Number of additional employees	34	35
Salaries	1,320,000.00	1,145,868.00

SECTION 4 COST AND VALUES		
COST AND VALUES	REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1	COST	ASSESSED VALUE
Values before project	190,000.00	
Plus: Values of proposed project	5,190,000	<del>5,000,000.00</del>
Less: Values of any property being replaced	0.00	
Net values upon completion of project	<del>5,150,000.00</del>	
ACTUAL	COST	ASSESSED VALUE
Values before project	190,000.00	
Plus: Values of proposed project	6,135,541	<del>5,945,541.00</del>
Less: Values of any property being replaced	0.00	
Net values upon completion of project	<del>6,135,541.00</del>	

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 ROSALIE PREPPS	Title <b>SR TAX MANAGER</b>	Date signed (month, day, year) <b>2/28/17</b>

**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))**

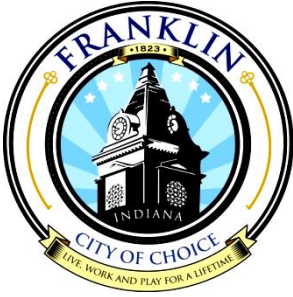
A property owner whose deduction is denied by the designating body may appeal the designating body's decision by filing a complaint in the office of the Circuit or Superior Court together with a bond conditioned to pay the costs of the appeal if the appeal is determined against the property owner.

Indiana Hydraulic Equipment, Corp.  
2000 Musicland Drive  
Franklin, IN 46131

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

	Actual Amount of Investment as of 12/31/06 (from SB-1)	Proposed Amount of Total Investment by 12/31/07 (from SB-1)	Beginning Total as of 12/31/2015	3/31/2016	6/30/2016	9/30/2016	12/31/2016	Actual Total Amount of Investment as of 12/31/16	Difference Between Actual and Proposed Amount of Investment
Property:	\$0	\$190,000	\$687,882	\$0	\$0	\$0	\$0	\$687,882	\$497,882
Buildings and Improvements:	\$0	\$5,000,000	\$5,447,659	\$0	\$0	\$0	\$0	\$5,447,659	\$447,659
Machinery and Equipment:	\$0	\$7,000,000	\$6,565,749	\$0	\$61,270	\$0	\$0	\$6,504,479	-\$495,521
Totals:	\$0	\$12,190,000		\$0	-\$61,270	\$0	\$0	\$12,640,020	\$450,020

	Actual Number of Employees as of 12/31/06 (from SB-1)	Proposed Hiring of New Staff Total by 12/31/07 (from SB-1)	Beginning Total as of 12/31/2015	3/31/2016	6/30/2016	9/30/2016	12/31/2016	Actual Staff Count (By Quarter)	Difference Between Actual and Proposed Amount of Employees
Staff	0	36	25	31	32	34	36	36	0
Salaries	\$0	\$1,320,000	\$1,163,298	\$242,037	\$280,027	\$280,093	\$343,711	\$343,711	-\$174,132



## CITY OF FRANKLIN

Community Development Department

### Memorandum

**To:** City of Franklin Economic Development Commission

**From:** Rhoni Oliver, Community Development Specialist

**Date:** April 25, 2017

**Re:** Case C 2016-20: KYB Manufacturing North America

#### Summary:

1. On October 23<sup>rd</sup>, 2006, the Franklin Common Council passed Resolution No. 2006-09, approving a 10-year tax abatement on real property and a 10-year tax abatement on personal property for KYB Manufacturing located at 2625 N. Morton Street.
2. Actual and estimated benefits, as projected for 2016:

	Estimated on SB-1	Actual in 2016	Difference
Employees Retained	660	660	0
Salaries	\$21,794,240	\$21,794,240	\$0
New Employees	51	173	122
Salaries	\$1,500,000	\$14,938,936	\$13,438,936
Total Employees	711	833	122
Total Salaries	\$23,294,240	\$36,733,176	\$13,438,936
Average Hourly Salaries	\$15.75	\$21.20	\$5.45
Personal Property Improvements	\$8,000,000	\$8,316,068	\$316,068
Real Property Improvements	\$16,000,000	\$18,112,347	\$2,112,347

3. The personal property investment exceeded the SB-1 estimate.
4. The company has exceeded their estimate provided on their SB-1 Form for real property.
5. This is the third year that the company has exceeded their estimate for the total number of employees. The average hourly wage continues to exceed what was estimated on their SB-1 Form.
6. The tax abatements are scheduled to expire in tax year 2017 payable 2018. The final compliance review will take place in 2018.

**Staff Recommendation:** Approval



# COMPLIANCE WITH STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51766 (R3 / 2-13)

Prescribed by the Department of Local Government Finance

16 17  
20 17 PAY 20 18


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 KYB MANUFACTURING NORTH AMERICA, INC.		County JOHNSON	
Address of taxpayer (number and street, city, state, and ZIP code) 2625 NORTH MORTON STREET, FRANKLIN, IN 46131		DLGF taxing district number 41009	
Name of contact person DOUG WIETEN		Telephone number ( 317 ) 346-4858	
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY			
Name of designating body CITY OF FRANKLIN COMMON COUNCIL		Resolution number 2006-09	Estimated start date (month, day, year) 10/24/2006
Location of property 2625 NORTH MORTON STREET, FRANKLIN, IN 46131		Actual start date (month, day, year) 10/24/2006	
Description of real property improvements 263,400 sq ft addition to building, entry drive and parking enhancements, remodeling of existing areas, additional improvements		Estimated completion date (month, day, year) 03/01/2009	
		Actual completion date (month, day, year) 03/01/2009	
SECTION 3 EMPLOYEES AND SALARIES			
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		660	833
Salaries		21,794,240.00	36,733,176.00
Number of employees retained		660	660
Salaries		21,794,240.00	21,794,240.00
Number of additional employees		51	173
Salaries		1,500,000.00	14,938,936.00
SECTION 4 COST AND VALUES			
COST AND VALUES		REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1		COST	ASSESSED VALUE
Values before project		11,405,428.00	7,983,800.00
Plus: Values of proposed project		16,000,000.00	11,200,000.00
Less: Values of any property being replaced			
Net values upon completion of project		27,405,428.00	19,183,800.00
ACTUAL		COST	ASSESSED VALUE
Values before project		11,405,428.00	5,588,850.00
Plus: Values of proposed project		18,112,347.00	8,875,350.00
Less: Values of any property being replaced			
Net values upon completion of project		29,517,775.00	14,464,200.00
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 		Title Treasurer	Date signed (month, day, year) 2/27/2017



**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.



# COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51765 (R4 / 11-16)

Prescribed by the Department of Local Government Finance

FORM CF-1 / PP

## PRIVACY NOTICE

This form contains information  
confidential pursuant to  
IC 6-1.1-35-9 and IC 6-1.1-12.1-5.6.

- 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 January 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 January 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	County	
KYB MANUFACTURING NORTH AMERICA, INC.	JOHNSON	
Address of taxpayer (number and street, city, state, and ZIP code)	DLGF taxing district number	
2625 MORTON STREET, FRANKLIN, IN 46131	41009	
Name of contact person	Telephone number	
DOUG WIETEN	( 317 ) 346-4858	

SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY		
Name of designating body	Resolution number	Estimated start date (month, day, year)
CITY OF FRANKLIN COMMON COUNCIL	2006-09	10/24/2006
Location of property	Actual start date (month, day, year)	
2625 MORTON STREET, FRANKLIN, IN 46131	10/24/2006	
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired.	Estimated completion date (month, day, year)	
SEE ATTACHED	03/01/2009	
	Actual completion date (month, day, year)	
	03/01/2009	

SECTION 3 EMPLOYEES AND SALARIES		
EMPLOYEES AND SALARIES	AS ESTIMATED ON SB-1	ACTUAL
Current number of employees	660	833
Salaries	21,794,240.00	36,733,176.00
Number of employees retained	660	660
Salaries	21,794,240.00	21,794,240.00
Number of additional employees	51	173
Salaries	1,500,000.00	14,938,936.00

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	39,214,863.00	14,920,379.00						
Plus: Values of proposed project	8,000,000.00	3,200,000.00						
Less: Values of any property being replaced								
Net values upon completion of project	47,214,863.00	18,120,379.00						
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	98,900,496.00	25,309,150.00						
Plus: Values of proposed project	8,816,068.00	1,981,545.00						
Less: Values of any property being replaced								
Net values upon completion of project	105,505,647.00	27,290,695.00						

**NOTE:** The **COST** of the property is confidential pursuant to IC 6-1.1-12.1-5.6(c).

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	Title	Date signed (month, day, year)
	Treasurer	2/27/2017



**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 6-1.1-12.1-5.9)**

1. This page does not apply to a Statement of Benefits filed before July 1, 1991; that deduction may not be terminated for a failure to comply with the Statement of Benefits.
2. Within 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.
3. 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. If a notice is mailed to a property owner, a copy of the written notice will be sent to the County Assessor and the County Auditor.
4. Based on the information presented at the hearing, the designating body shall determine whether or not the property owner has made reasonable effort to substantially comply with the Statement of Benefits and whether any failure to substantially comply was caused by factors beyond the control of the property owner.
5. If the designating body determines that the property owner has **NOT** made reasonable effort to comply, then the designating body shall adopt a resolution terminating the deduction. 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.

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 5 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 clerk of 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.



# CITY OF FRANKLIN

Community Development Department

## Memorandum

**To:** City of Franklin Economic Development Commission

**From:** Rhoni Oliver, Community Development Specialist

**Date:** April 24, 2017

**Re:** Case C 2017-30: Mitsubishi Turbocharger& Engine America – MTEA (formerly Mitsubishi Engine North America-MTEA)

### Summary:

- On March 4<sup>th</sup>, 2013, the Franklin Common Council passed Resolution No. 2013-06, approving a 10-year tax abatement with a 5% economic development fee for personal property for Mitsubishi, located at 1200 N. Mitsubishi Parkway. On December 16<sup>th</sup>, 2013, the Franklin Common Council amended this resolution due to a project delay. Resolution 2013-32 amended Resolution 2013-07 and extended the completion date from December 31<sup>st</sup>, 2014 to October 1<sup>st</sup>, 2015.
- Actual and estimated benefits, as projected for 2016:

	Estimated on SB-1	Actual in 2016	Difference
New Employees	73	103	30
Salaries	\$3,114,238	\$4,910,630	\$1,796,392
Average Hourly Salaries	\$20.51	\$22.92	\$2.41
Personal Property Improvements	\$7,274,375	\$7,032,716	-\$241,659

- The project start date was delayed and the completion date was extended to 10/1/15. This caused the company to adjust the job creation timetable chart. See the attached chart from Yoshifumi Nuruyu.
- The company estimated on their original application that they would hire 73 new employees with the purchase of \$7,693,125 in machinery and equipment. They amended their start and completion date through Resolution 2015-32. The company did not meet the estimated number of employees nor the personal property investment by 10/1/15. MENA plans to invest an additional \$3,042,583.00 for a total investment of \$7,918,392.00 and hire an additional 22 associates for a total of 95 during 2016. The number of employees exceeds the SB-1 estimate, as does the average hourly salary. An additional \$2,156,907 personal property investment was made in 2016, which is still \$241,659 short of the SB-1 estimate. No projection for personal property investment was included for 2017.
- The personal property tax abatement is scheduled to expire in tax year 2024 payable 2025. Their last year for compliance review will be 2025.

**Staff Recommendation:** Approval



# COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51765 (R2 / 5-13)

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 Mitsubishi Turbocharger and Engine America, Inc. (MTEA) <i>Old name: Mitsubishi Engine North America, Inc (HENA)...</i>									
Address of taxpayer (number and street, city, state, and ZIP code) 1200 North Mitsubishi Parkway, Franklin, Indiana 46131									
Name of contact person Atsushi Hagita						Telephone number ( 317 ) 346-5280			
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY									
Name of designating body City of Franklin Common Council						Resolution number 13-07, amended 13-32			
Location of property 1200 North Mitsubishi Parkway, Franklin, Indiana 46131				County Johnson		DLGF taxing district number 41-018			
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired. Equipment and machinery for manufacturing of turbochargers. 2014 expenditures see (amended Company Investment Timetable for 2015 expenditures)						Estimated starting date (month, day, year) 6-1-2014			
						Estimated completion date (month, day, year) 10-1-2015			
SECTION 3 EMPLOYEES AND SALARIES									
EMPLOYEES AND SALARIES						AS ESTIMATED ON SB-1		ACTUAL	
Current number of employees									
Salaries									
Number of employees retained									
Salaries									
Number of additional employees <i>See amended Job Creation / Retention Timetable</i>						73.00		103.00	
Salaries						3,114,238.00		4,910,630.40	
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	0.00			0.00	0.00	0.00	0.00
Plus: Values of proposed project		7,274,375.00	7,274,375.00			418,750.00	418,750.00	18,436.00	18,436.00
Less: Values of any property being replaced									
Net values upon completion of project		7,274,375.00	7,274,375.00			418,750.00	418,750.00	18,436.00	18,436.00
ACTUAL		COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project		0.00	0.00			0.00	0.00	0.00	0.00
Plus: Values of proposed project		7,274,375.00	7,274,375.00			418,750.00	418,750.00	18,436.00	18,436.00
Less: Values of any property being replaced									
Net values upon completion of project		7,032,716.00	7,032,716.00			506,345.00	506,345.00	18,436.00	18,436.00
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						0.00		0.00	
Amount of hazardous waste converted						0.00		0.00	
Other benefits: <i>MTEA produce turbochargers that conserve fuel - more fuel - efficient car engines.</i>									
SECTION 6 TAXPAYER CERTIFICATION									
I hereby certify that the representations in this statement are true.									
Signature of authorized representative <i>Atsushi Hagita</i>				Title President		Date signed (month, day, year) 4/24/17			

Till June, 2016

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, 1-5.9)

1. This page does not apply to a Statement of Benefits filed before July 1, 1991; that deduction may not be terminated for a failure to comply with the Statement of Benefits.
2. Within 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.
3. 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. If a notice is mailed to a property owner, a copy of the written notice will be sent to the Township Assessor and the County Auditor.
4. Based on the information presented at the hearing, the designating body shall determine whether or not the property owner has made reasonable effort to substantially comply with the Statement of Benefits.
5. If the designating body determines that the property owner has **NOT** made reasonable effort to comply, then the designating body shall adopt a resolution terminating the deduction. The designating body shall immediately mail a certified copy of the resolution to: (1) the property owner; (2) the County Auditor; and (3) the Township Assessor.

We have reviewed the CF-1 and find that:		
<input checked="" type="checkbox"/> the property owner IS in substantial compliance		
<input type="checkbox"/> the property owner IS NOT in substantial compliance		
<input type="checkbox"/> 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.		
Time of hearing <input type="checkbox"/> AM <input type="checkbox"/> PM	Date of hearing (month, day, year)	Location of hearing
HEARING RESULTS (to be completed after the hearing)		
<input type="checkbox"/> Approved <input type="checkbox"/> Denied (see instruction 5 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.		

COMPANY INVESTMENT TIMETABLE

	MCCA	MCCA	MTEA	MTEA	MTEA	MTEA	MTEA	MTEA	MTEA	
	New Building construction	Existing Building Improvement	New Machinery and Equipment	Special Tooling/Retooling	Logistics Equipment	Other Furniture	New Computer/IT Hardware	New Software	Total	
Year of Abatement	2013	2013	2013	2013	2013	2013	2013	2013		
1st Quarter									\$0.00	
2nd Quarter									\$0.00	
3rd Quarter									\$0.00	
4th Quarter									\$0.00	
Year of Abatement	2014	2014	2014	2014	2014	2014	2014	2014		
1st Quarter									\$0.00	
2nd Quarter			\$1,307,215.38						\$1,307,215.38	#1 Line
3rd Quarter									\$0.00	
4th Quarter			\$2,014,533.05		\$15,283.28		\$18,436.39		\$2,048,252.72	#2 Line
Year of Abatement	2015	2015	2015	2015	2015	2015	2015	2015		
1st Quarter			\$85,983.68		\$8,189.00				\$94,172.68	
2nd Quarter			\$17,068.71	\$2,169.90	\$136,560.59				\$155,799.20	
3rd Quarter			\$1,167,799.10		\$32,840.34				\$1,200,639.44	#3 Line
4th Quarter				\$16,548.99	\$53,182.68				\$69,731.67	
Year of Abatement	2016	2016	2016	2016	2016	2016	2016	2016		
1st Quarter			\$63,825.54		\$17,256.03	\$25,970.00			\$107,051.57	
2nd Quarter			\$1,211,587.74		\$52,411.19				\$1,263,998.93	#4 Line
3rd Quarter			\$18,543.10		\$65,260.20	\$4,479.02			\$88,282.32	
4th Quarter			\$1,146,159.78		\$125,362.00				\$1,271,521.78	#5 Line
Total	\$0.00	\$0.00	\$7,032,716.08	\$18,718.89	\$506,345.31	\$30,449.02	\$18,436.39	\$0.00		



Amended Job Creation / Retention TimeTable MTEA

	Manager	Technical/ Administration	Engineer	Operator	Total
Year of Abatement	2013				
1st Quarter					0
2nd Quarter	1 (1)				1 (1)
3rd Quarter	1 (1)				1 (1)
4th Quarter	1 (1)		1 (1)		2 (2)
	3 (3)		1 (1)		4 (4)
Year of Abatement	2014				
1st Quarter					0
2nd Quarter		5 (5)	1 (1)		6 (6)
3rd Quarter				2 (2)	2 (2)
4th Quarter		1 (1)		4 (4)	5 (5)
		6 (6)	1 (1)	6 (6)	13 (13)
Year of Abatement	2015				
1st Quarter	1 (1)	2 (2)			2 (3)
2nd Quarter	1 (1)	4 (4)		2 (2)	5 (7)
3rd Quarter	2 (2)		1 (1)	7 (6)	8 (9)
4th Quarter		2 (3)		18 (13)	20 (16)
	1 (4)	8 (9)	1 (1)	25 (21)	35 (35)
Year of Abatement	2016				
1st Quarter		1 (3)		1 (1)	1 (14)
2nd Quarter		2 (2)	1 (1)	7 (9)	7 (12)
3rd Quarter		1 (1)		7 (12)	7 (13)
4th Quarter		1 (1)		6 (11)	6 (12)
	0 (0)	1 (7)	1 (1)	20 (43)	21 (51)
Total	7 (7)	22 (22)	4 (4)	70 (70)	103 (103)

UPDATED this time  
 UPDATED this time  
 UPDATED this time  
 UPDATED this time  
 UPDATED this time

\*\*\* NOTE: Numbers in ( ) are actual new jobs created

Average hourly wages	\$33.65	\$26.44	\$33.65	\$14.47
Wages + Benefits	\$39.08	\$31.87	\$39.08	\$20.38



# CITY OF FRANKLIN

Community Development Department

## Memorandum

**To:** City of Franklin Economic Development Commission

**From:** Rhoni Oliver, Community Development Specialist

**Date:** April 20, 2017

**Re:** Case C 2017-44: Pridgeon and Clay, Inc.

### Summary:

1. On July 21<sup>st</sup>, 2014, the Franklin Common Council passed Resolution No. 2014-10, approving a 10-year tax abatement on real property with a 2% Economic Development Fee and a 7-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 2016:

	Estimated on SB-1	Actual in 2016	Difference
Employees Retained	82	106	24
Salaries	\$2,873,936	\$4,249,164	\$1,375,228
New Employees	18	28	10
Salaries	\$520,416	\$663,040	\$142,624
Total Employees	100	134	34
Total Salaries	\$3,394,352	\$4,912,204	\$1,517,852
Average Hourly Salaries	\$16.32	\$17.62	\$1.31
Personal Property Improvements	\$3,300,000	\$2,835,000	-\$465,000
Real Property Improvements	\$500,000	\$500,000	\$0

3. The company has met the number of retained employees and exceeded the number of new employees. Average hourly salaries are higher than estimated on their SB-1 Form.
4. The company has met their estimate provided on their SB-1 Form for real property.
5. The company has not met their estimate provided on their SB-1 Form for personal property. They reported that the project came in lower than expected and they do not have any additional equipment purchases to make.
6. The real property tax abatement for Pridgeon and Clay is scheduled to expire in tax year 2024 payable 2025. The final compliance review will take place in 2025.
7. The personal property tax abatement for Pridgeon and Clay is scheduled to expire in 2012 payable 2022. The final compliance review will take place in 2022.

**Staff Recommendation:** Approval



# COMPLIANCE WITH STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51766 (R2 / 1-07)

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).

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 form does not apply to property located in a residentially distressed area. (IC 6-1.1-12.1-2 (b))
- 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).
- This form must accompany the initial deduction application that is filed with the County Auditor.
- 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)
- 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))
- 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 <b>PRIDGEON AND CLAY, INC</b>		
Address of taxpayer (number and street, city, state, and ZIP code) <b>50 COTTAGE GROVE SW, GRAND RAPIDS, MI 46507</b>		
Name of contact person <b>DANIEL TODARO</b>	Telephone number <b>(317) 738-4885</b>	
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY		
Name of designating body <b>CITY OF FRANKLIN</b>		
Location of property <b>150 ARVIN ROAD</b>	County <b>JOHNSON</b>	
Description of real property improvements: <b>NEW STAMPING LINE WITH 5 PRESSES AND THREE NEW ROBOTIC WELD CELLS</b>		
Resolution number <b>2014-10</b>		
DLGF taxing district number		
Estimated starting date (month, day, year) <b>09/02/2015</b>		
Estimated completion date (month, day, year) <b>12/30/2015</b>		
SECTION 3 EMPLOYEES AND SALARIES		
EMPLOYEES AND SALARIES		
Current number of employees	AS ESTIMATED ON SB-1 <b>468</b>	
Salaries	ACTUAL <b>134</b>	
Number of employees retained	<b>82</b>	
Salaries	<b>106</b>	
Number of additional employees	<b>40-18</b>	
Salaries	<b>2,770,000.00 \$ 2,873</b>	
<b>4,249,164.45</b>		
<b>2,770,000.00 \$ 520,411</b>		
<b>663,039.99</b>		
SECTION 4 COST AND VALUES		
COST AND VALUES		
REAL ESTATE IMPROVEMENTS		
AS ESTIMATED ON SB-1	COST	ASSESSED VALUE
Values before project		
Plus: Values of proposed project	<b>500,000.00</b>	
Less: Values of any property being replaced		
Net values upon completion of project		
ACTUAL	COST	ASSESSED VALUE
Values before project		
Plus: Values of proposed project	<b>500,000.00</b>	
Less: Values of any property being replaced		
Net values upon completion of project		
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	<b>0</b>	
Amount of hazardous waste converted	<b>0</b>	
Other benefits:	<b>0</b>	
SECTION 6 TAXPAYER CERTIFICATION		
I hereby certify that the representations in this statement are true.		
Signature of authorized representative <b>Jelinda Pridgeon</b>	Title <b>PLANT CONTROLLER</b>	
Date signed (month, day, year) <b>02/24/2017</b>		



**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 6-1.1-12-5.1)**

1. This page does not apply to a Statement of Benefits filed before July 1, 1991; that deduction may not be terminated for a failure to comply with the Statement of Benefits.
2. Within 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.
3. 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. A copy of the notice will be sent to the County Auditor.
4. Based on the information presented at the hearing, the designating body shall determine whether or not the property owner has made reasonable effort to substantially comply with the Statement of Benefits.
5. If the designating body determines that the property owner has **NOT** made reasonable effort to comply, then the designating body shall adopt a resolution terminating the deduction. The designating body shall immediately mail a certified copy of the resolution to: (1) the property owner and (2) the County Auditor.

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.

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 5 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.



# 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 PRIDGEON AND CLAY, INC								
Address of taxpayer (number and street, city, state, and ZIP code) 50 COTTAGE GOVE SW, GRAND RAPIDS, MI 49507								
Name of contact person DANIEL TODARO	Telephone number (317) 738-4885							
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY								
Name of designating body CITY OF FRANKLIN	Resolution number 14-10							
Location of property 150 ARVIN ROAD	County JOHNSON							
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired. NEW STAMPING LINE WITH 5 PRESSES AND THREE NEW ROBOTIC WELD CELLS								
Estimated starting date (month, day, year) 09/02/2015								
Estimated completion date (month, day, year)								
SECTION 3 EMPLOYEES AND SALARIES								
EMPLOYEES AND SALARIES								
Current number of employees	AS ESTIMATED ON SB-1 ACTUAL 134							
Salaries	4,917,843.82							
Number of employees retained	82							
Salaries	2,873,936							
Number of additional employees	18							
Salaries	520,416							
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								
Plus: Values of proposed project	3,300,000							
Less: Values of any property being replaced	0.00	0.00						
Net values upon completion of project								
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project								
Plus: Values of proposed project	2,835,000							
Less: Values of any property being replaced	0.00							
Net values upon completion of project								
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	0						
Amount of hazardous waste converted	0	0						
Other benefits:	0	0						
SECTION 6 TAXPAYER CERTIFICATION								
I hereby certify that the representations in this statement are true.								
Signature of authorized representative Jolanda Baldwin	Title PLANT CONTROLLER	Date signed (month, day, year) 02/24/2017						

**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 6-1.1-12-5.9)**

1. This page does not apply to a Statement of Benefits filed before July 1, 1991; that deduction may not be terminated for a failure to comply with the Statement of Benefits.
2. Within 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.
3. 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. If a notice is mailed to a property owner, a copy of the written notice will be sent to the Township Assessor and the County Auditor.
4. Based on the information presented at the hearing, the designating body shall determine whether or not the property owner has made reasonable effort to substantially comply with the Statement of Benefits.
5. If the designating body determines that the property owner has **NOT** made reasonable effort to comply, then the designating body shall adopt a resolution terminating the deduction. The designating body shall immediately mail a certified copy of the resolution to: (1) the property owner; (2) the County Auditor; and (3) the Township Assessor.

We have reviewed the CF-1 and find that:			
<input type="checkbox"/> the property owner <b>IS</b> in substantial compliance <input type="checkbox"/> the property owner <b>IS NOT</b> in substantial compliance <input type="checkbox"/> 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.			
Time of hearing	<input type="checkbox"/> AM <input type="checkbox"/> PM	Date of hearing (month, day, year)	Location of hearing
<b>HEARING RESULTS (to be completed after the hearing)</b>			
<input type="checkbox"/> Approved <input type="checkbox"/> Denied (see instruction 5 above)			
Reasons for the determination (attach additional sheets if necessary)			
Signature of authorized member			Date signed (month, day, year)
Attested by:		Designating body	
<b>APPEAL RIGHTS [IC 6-1.1-12.1-5.9(e)]</b>			
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.			