

AGENDA RESERVATION REQUEST

CITY OF FRANKLIN COMMON COUNCIL

Please type or print

Date Submitted:	07-11-17	Meeting Date:	07-17-17
Contact Information:			
Requested by:	Krista Linke		
On Behalf of Organization or Individual:			
		Economic Development Commission	
Telephone:	317-736-3631		
Email address:	klinke@franklin.in.gov		
Mailing Address:	70 E. Monroe St., Franklin, IN 46131		
Describe Request:			
Resolution 201708: Tax Abatement for Powder Metal Technicians – 1725 N. Graham Road			
List Supporting Documentation Provided:			
Memo			
Staff Report			
Resolution 2017-08			
Who will present the request?			
Name:	Krista Linke	Telephone:	317-736-3631

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



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Memorandum

To: City Council
From: Krista Linke, Director
Date: July 11, 2017
Re: Real Property Tax Abatement – Powder Metal Technicians

The City of Franklin Economic Development Commission (EDC) reviewed and acted on a real property tax abatement request from Powder Metal Technicians at a meeting held on July 11th, 2017. The board voted to forward a favorable recommendation to the City Council for a seven-year real property tax abatement with a 2% economic development fee.

The property has been designated an Economic Revitalization Area. Therefore, only one resolution and one City Council meeting is needed.

Attached to this memo are:

1. Case EDC 2017-04 Staff Report
2. Application and requested forms
3. Sample Tax Phase-In Savings Schedules
4. Resolution 2017-08: Real Property Tax Abatement
5. Exhibit A – Legal Description
6. Exhibit B - Form SB-1 Real Property
7. Exhibit C – Real Property Abatement Schedule

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



CITY OF FRANKLIN

DEPARTMENT OF COMMUNITY DEVELOPMENT

Staff Report

To: Economic Development Commission Members

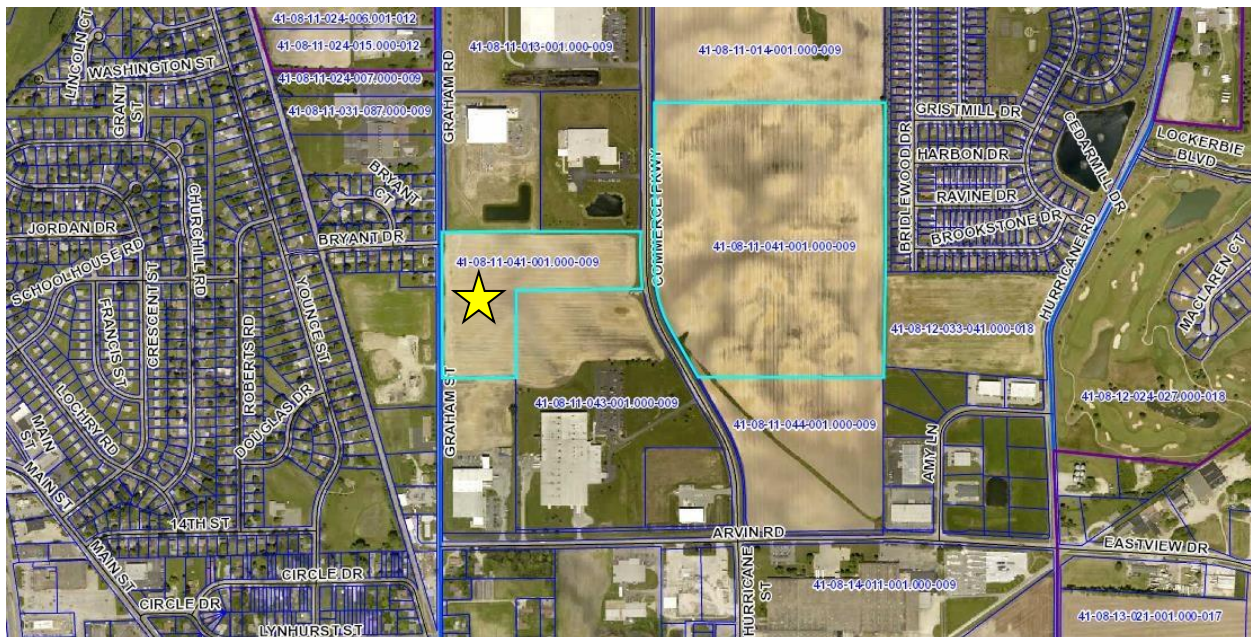
From: Krista Linke, Director

Date: July 6th, 2017

Re: Case EDC 2017-04 – Powder Metal Technicians

Case EDC 2017-04 – Powder Metal Technicians: A request for a tax abatement on \$1,380,925 in real property investment.

Location: 1725 N. Graham Road



Summary:

1. Characteristics of this location:

The property is currently owned by Fred and Helen Linville. A minimum of 5 acres will be subdivided from the larger tract of land to create a buildable lot.

2. Characteristics of this petitioner:

Powder Metal Technicians is currently located on Brookville Road in Indianapolis. The company has been in existence for sixteen years. They will build a 14,000 square foot production facility in the Franklin Business Park to relocate their business to Franklin. The petitioner has indicated on their application that they are agreeable to a 2% economic development fee.

“Powder Metal Technicians Inc. was started in April of 2001 with a background of 27 years in fabricating, tool room machining skills and machine repairs. With over 15 years of experience in powder metal press repair, press rebuilds and field service before PMT started, we can eliminate long periods of down time with scheduled maintenance and a large inventory of Cincinnati press compatible parts. We also do custom machining as well as other services which include robotics and custom equipment.” www.pmtpress.com

3. Characteristics of this project:

The property will have to be surveyed and subdivided. The minimum lot size in the Franklin Business Park is 5 acres. A new 14,000 square foot building will be constructed. The applicant is also requesting \$40,000 from the Redevelopment Commission towards moving expenses to relocate their business to Franklin.

4. Economic Revitalization Area (ERA):

This property has previously been designated an ERA through Resolutions 2012-04 and 2012-05.

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

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

- a. Whether the estimate of the value of the development or rehabilitation is reasonable for projects of that nature;
- b. Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed redevelopment or rehabilitation;
- c. Whether the estimate of annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed redevelopment or rehabilitation;
- d. Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed redevelopment or rehabilitation; and
- e. Whether the totality of the benefits is sufficient to justify the tax abatement.

6. City of Franklin “Tax Abatement Policy” criteria:

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

- a. *Diversification of Local Occupations:* According to the Employment Phase-In Schedule submitted, there will be 11 jobs retained and 4 jobs created by the 2nd quarter of 2020. The average hourly salary for the 11 employees retained is \$21.77 and the average hourly salary for the 4 jobs created is \$22.00. Wage figures do not include benefits. Benefit information can be found at the bottom of the attachment labeled “JOB AND WAGE DESCRIPTION FOR TAX

ABATEMENT APPLICATION.”

- b. *Diversification of Local Employment:* According to the 2013 U.S. Census Bureau, there were 128 manufacturing establishments in Johnson County. The Machinery Manufacturing sector as a whole made up 16.4% of all manufacturing industries in Johnson County. Machinery manufacturing employees made up 17.2% of all manufacturing employees. Source: U.S. Census Bureau County Business Patterns.
- c. *Increase in Local Salaries:* The average wage for all industries in Johnson County for the first quarter of 2014 was \$17.02. The average hourly wage for the manufacturing sector was \$23.18. The average hourly wage in Johnson County for the machinery manufacturing sector was \$23.08 per hour. The average hourly wage (without benefits) for the 12 jobs related to this project is \$22.00 per hour.
- d. *Sustainable Land Use:* The petitioner proposes to make this investment on a vacant piece of property in the Franklin Business Park.
- e. *Future Community Investment:* The applicant should share with the EDC their plans for future community investment. The company has indicated on their application that they are agreeable to a 2% economic development fee on real property improvements.
- f. *Conformance with the Comprehensive Plan:* The Comprehensive Plan - Land Use Map identifies this property as a Manufacturing Area. Manufacturing areas are intended to accommodate large scale businesses that produce finished products from raw materials. Uses in these areas may include product manufacturers as well as any related warehousing and offices. Manufacturing areas may include facilities that involve emissions or the outdoor storage of materials and finished products.

The property is zoned IG, Industrial: General. The "IG", Industrial: General zoning district is intended to provide locations for general industrial manufacturing, production, assembly, warehousing, research & development facilities, and similar land uses. This district is intended to accommodate a variety of industrial uses in locations and under conditions that minimize land use conflicts. This district should be used to support industrial retention and expansion in Franklin.

7. Tax Abatement Duration:

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

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

8. Requested Effective Year:

The petitioner has requested that, if approved, the tax abatement be effective for the tax year 2018, payable 2019.

Staff Comments:

This tax abatement application conforms to the criteria and findings outlined by the state code. The amount of investment and number of jobs and wages should all be considered when determining the length of the abatement granted. The mayor's office has recommended a 7 year real property abatement.



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Tax Abatement Application

Organization/Corporation Requesting Tax Abatement

Organization/Corporation Name: PMT Properties, LLC

Primary Contact Name: Doug Hefley

Contact Address: 8462 Brookville Road

City: Indianapolis

State: IN

Zip: 46239

Phone Number: 317-353-2812

Email: dougpm1@aol.com

Three possible dates before the EDC meeting to conduct a site visit:

Name of Owner: PMT Properties, LLC

Parent Company (If Applicable): Powder Metal Technicians, Inc.

Primary Contact for Yearly Compliance Reports

Name: Doug Hefley

Title: Managing Member

Address: 8462 Brookville Road

City: Indianapolis

State: IN

Zip: 46239

Phone Number: 317-353-2812

Email: dougpm1@aol.com

Description of Project

Project Location/Address: 1725 N. Graham Road Franklin, IN 46131

Parcel Number: 41--08-11-041-001.000-009

Brief Description of Project:

Parent company to relocate and build a 14,000 square foot production facility in the Franklin Business Park.

Current Assessed Value (AV) of the Property:

1. Land 10,589

2. Building 0

3. Inventory 0

4. Equipment 0

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

Has equipment been installed (if applicable): Yes ☐ No ☒ N/A

Required Attachments:

☒ Completed SB-1 Form(s)

☐ Legal Description of the Property

☒ Company Financial Statement

☒ Job and Wage Description Information Sheet

☒ Summary of Benefits (if applicable)

☒ Employment Phase-In Schedule

☒ Company Investment Timetable

☒ Compliance Affidavit

Type of Abatement RequestedReal Property ☒Personal Property ☐Length of Abatement Requested: 7 YearsProject Size (square feet): 14,000Size of Site (acres): 5 acres

Type of Building:

Multiple Tenants (leased) ☐Single Tenant (leased) ☐Owner Occupied ☒Corporate Headquarters ☒**Capital Investment**1. Real property capital investment only: 1,380,925

2. Personal property capital investment only: _____

3. Total capital investment for proposed project: 1,380,925**Jobs Created and/or Retained**1. Estimated number of full time jobs created by the proposed project: 42. Estimated number of full time jobs retained as a direct result of the proposed project: 113. Total number of full time jobs upon project completion: 15**Wages Created and Retained**1. Average hourly wage rate for new jobs (w/o benefits) 22.002. Average hourly wage rate for jobs retained (w/o benefits) 21.77

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

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

The 7 year real estate abatement incentive is necessary for the Company to continue it's pursuit of expanding it product lines and related services. One example of this would be manufacturing robotics. The additional working capital generated by the abatement incentive will allow the company to do so and bring additional higher paying skill labor and professional positions into the community.

Company InformationHow long has the company been in existence? 16 years

Current address of company headquarters and duration at that address:

8462 Brookville Road Indianapolis, IN 46239 - 16 years

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

50%

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

If yes, when and for what term? N/A

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

Company is relocating to the community and will be retaining and planning to hire technical professionals and skilled trade workers that earn an average wage of \$22.00 per hour along with benefits.

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

Is the company agreeable to the Economic Development Fee? Yes ☒ NoIf yes, at what percent(s)? 2%



STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51767 (R2 / 1-07)

Prescribed by the Department of Local Government Finance

20 17 PAY 20 20

FORM SB-1 / Real Property

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

- ☒ Redevelopment or rehabilitation of real estate improvements (IC 6-1.1-12.1-4)
☐ Eligible vacant building (IC 6-1.1-12.1-4.8)

INSTRUCTIONS:

- This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body **BEFORE** the redevelopment or rehabilitation of real property for which the person wishes to claim a deduction. "Projects" planned or committed to after July 1, 1987, and areas designated after July 1, 1987, require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
- Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to initiation of the redevelopment or rehabilitation, **BEFORE** a deduction may be approved.
- To obtain a deduction, application Form 322 ERA/RE or Form 322 ERA/VBD, Whichever is applicable, must be filed with the County Auditor by the later of: (1) May 10; or (2) thirty (30) days after the notice of addition to assessed valuation or new assessment is mailed to the property owner at the address shown on the records of the township assessor.
- Property owners whose Statement of Benefits was approved after June 30, 1991, must attach a Form CF-1/Real Property annually to the application to show compliance with the Statement of Benefits. [IC 6-1.1-12.1-5.1(b) and IC 6-1.1-12.1-5.3(j)]
- The schedules established under IC 6-1.1-12.1-4(d) for rehabilitated property and under IC 6-1.1-12.1-4.8(1) for vacant buildings apply to any statement of benefits approved on or after July 1, 2000. The schedules effective prior to July 1, 2000, shall continue to apply to a statement of benefits filed before July 1, 2000.

SECTION 1		TAXPAYER INFORMATION			
Name of taxpayer <u>PMT PROPERTIES, LLC</u>					
Address of taxpayer (number and street, city, state, and ZIP code) <u>8462 BROOKVILLE ROAD</u>					
Name of contact person <u>DOUG HEFLEY</u>		Telephone number <u>(317) 353-2812</u>		E-mail address <u>doug@pmtfco.com</u>	
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT			
Name of designating body <u>CITY OF FRANKLIN</u>		Resolution number			
Location of property <u>1725 N. GRAHAM RD. FRANKLIN, IN</u>		County <u>JOHNSON</u>		DLGF taxing district number	
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) <u>Construct 14,000 sq-ft steel building</u>				Estimated start date (month, day, year) <u>AUGUST 15, 2017</u>	
				Estimated completion date (month, day, year) <u>APRIL 30, 2018</u>	
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT			
Current number <u>11</u>	Salaries <u>AVG</u> <u>HRly Rate - \$21.11</u>	Number retained <u>11</u>	Salaries <u>AVG</u> <u>HRly Rate - \$21.11</u>	Number additional <u>4</u>	Salaries <u>AVG</u> <u>HRly Rate - \$22.00</u>
SECTION 4		ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT			
NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.		REAL ESTATE IMPROVEMENTS			
		COST		ASSESSED VALUE	
		Current values		<u>10,589</u>	
		Plus estimated values of proposed project		<u>1,380,925</u>	
		Less values of any property being replaced		<u>1,370,336</u>	
Net estimated values upon completion of project		<u>1,380,925</u>		<u>1,380,925</u>	
SECTION 5		WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER			
Estimated solid waste converted (pounds) <u>0.00</u>		Estimated hazardous waste converted (pounds) <u>0.00</u>			
Other benefits					
SECTION 6		TAXPAYER CERTIFICATION			
I hereby certify that the representations in this statement are true.					
Signature of authorized representative <u>Jenny D. Hefley</u>		Title <u>MANAGING MEMBER</u>		Date signed (month, day, year) <u>6-8-2017</u>	

**JOB AND WAGE DESCRIPTION
FOR TAX ABATEMENT APPLICATION**

Please provide the following job and wage earning information that is associated with this Tax Abatement Petition (*Please specify all wages in an hourly format without benefits*):

- (1) Company NAICS code: 333900.
- (2) The total number of jobs current at the site: 11, the number of those jobs that will be retained as a direct result of the proposed investment 11, and the number of new jobs which will be created as a direct result of the proposed investment 4.
- (3) The total number of full-time employees at the site: 11.
- (4) The total number of temporary and/or contract employees currently at the site: 0.
- (5) The average hourly wages for the new jobs: \$22.00.
- (6) Will the new jobs being created begin as temporary and/or contract employees? No
If yes, please provide an explanation of the typical transition process to full time:

- (7) Number of new and/or retained jobs in:
- (a) Managerial/Professional Specialty Occ.: 4 Average Hourly Wage: \$35.00
- (b) Technical/Sales/Admin. Support Occ.: 1 Average Hourly Wage: \$13.00
- (c) Service Occ.: 0 Average Hourly Wage: _____
- (d) Precision Production/Craft/Repair Occ.: 10 Average Hourly Wage: \$20.00
- (e) Operators/Fabricators/Laborers: 0 Average Hourly Wage: _____

Note: The total number of jobs specified above should correspond with the Statement of Benefits Form SB-1.

- (8) **Attach detailed information on the types of benefits offered for new employees. A description of all possible bonuses and incentives should also be given if provided.**
- A. Company provides group health insurance and pays 50% of employee's premium.
- B. Company offers 2 weeks paid vacation after 1 year of employment.
- C. Company offers 6 days of paid holidays after 90 days of employment.

PMT Properties, LLC
Powder Metal Technicans, Inc. (Parent Company)
Investment Timetable

Year	Building	Total
12/31/17		
1st Quarter	-	-
2nd Quarter	-	-
3rd Quarter - Start Construction	320,000	320,000
4th Quarter - Construction in Progress	795,000	795,000
12/31/18		
1st Quarter - Construction Completed	1,380,925	1,380,925
2nd Quarter - Relocation completed	1,380,925	1,380,925
3rd Quarter	1,380,925	1,380,925
4th Quarter	1,380,925	1,380,925
1st Year of Abatement - 2019		
1st Quarter	1,380,925	1,380,925
2nd Quarter	1,380,925	1,380,925
3rd Quarter	1,380,925	1,380,925
4th Quarter	1,380,925	1,380,925
2nd to 7th year of Abatement - 2020 - 2025		
1st Quarter	1,380,925	1,380,925
2nd Quarter	1,380,925	1,380,925
3rd Quarter	1,380,925	1,380,925
4th Quarter	1,380,925	1,380,925

PMT Properties, LLC
Powder Metal Technicans, Inc. (Parent Company)
Employment Phase-in Schedule
Job Creation/Rention Timetable

Year	Managerial & Professional	Precision Prod, Skilled Trade & Repair	
		Administrative	
12/31/17			
1st Quarter	3	1	7
2nd Quarter	3	1	7
3rd Quarter	3	1	8
4th Quarter	3	1	8
12/31/18			
1st Quarter	3	1	8
2nd Quarter	3	1	8
3rd Quarter	4	1	8
4th Quarter	4	1	8
12/31/19			
1st Quarter	4	1	8
2nd Quarter	4	1	9
3rd Quarter	4	1	9
4th Quarter	4	1	9
12/31/20			
1st Quarter	4	1	9
2nd Quarter	4	1	10
3rd Quarter	4	1	10
4th Quarter	4	1	10

**ENVIRONMENTAL, LAND USE, AND
PERMITTING COMPLIANCE AFFIDAVIT**

I, Jerry D. Hefley, (representative) on behalf of PMT Properties, LLC
(company) represent that, except to the extent that the City of Franklin has been given written notice of
any environmental, chemical, or waste hazards or violations prior to the date of this affidavit, the
petition and project plan of PMT Properties, LLC (company) does not contemplate,
contain, nor anticipate:

- (1) any violation(s) of City of Franklin Municipal codes and/or ordinances;
- (2) any violation(s) of applicable zoning ordinances;
- (3) any violation(s) of site plan review and/or building permit requirements;
- (4) any violation(s) of federal or state laws, including but not limited to OSHA and ADA, and all
other regulations regarding safety, land use, and access;
- (5) any violation(s) of federal or state laws, including but not limited to the creation,
maintenance, utilization, control, handling, existence, and/or disposal of hazardous waste,
chemicals, conditions, equipment, materials, entities, or components as defined under federal
and/or state law.

Further, PMT Properties, LLC (company) states that the construction and operation of the
proposed facility will in no way result in any discharges which will result in interruptions, inconsistencies,
or failures in the operation of the Franklin Wastewater Treatment facility. The petitioner understands
that the violation of any element of this affidavit may result in the revocation of any tax abatements or
other economic incentives which may have been granted by the City of Franklin.

Jerry D. Hefley
Petitioner

6-8-2017
Date

STATE OF Indiana

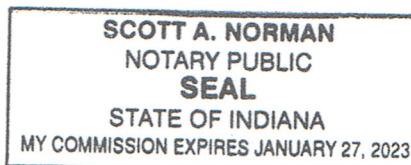
SS:

COUNTY OF Marion

Subscribed and sworn to before me on this 8 Day of June, 2017.

My Commission Expires: 1-27-23

Scott A. Norman
Notary Public *Hancock County Resident*



Indiana Tax Abatement Results

- Johnson County, Franklin City-Franklin Twp
- Tax Rate (2016): 3.3734
- Project Name: Powder Metal Technicians

Real Property: \$1,380,925.00

		With Abatement			Without Abatement			Estimated
	Abatement Percentage	Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	Tax Abatement Savings
Year 1	100%	\$ 0.00	\$0.00	\$0.00	\$46,584.00	(\$5,156.25)	\$41,427.75	\$41,427.75
Year 2	80%	\$ 9,317.00	\$0.00	\$9,317.00	\$46,584.00	(\$5,156.25)	\$41,427.75	\$32,110.75
Year 3	60%	\$ 18,634.00	\$0.00	\$18,634.00	\$46,584.00	(\$5,156.25)	\$41,427.75	\$22,793.75
Year 4	40%	\$ 27,950.00	\$0.00	\$27,950.00	\$46,584.00	(\$5,156.25)	\$41,427.75	\$13,477.75
Year 5	20%	\$ 37,267.00	\$0.00	\$37,267.00	\$46,584.00	(\$5,156.25)	\$41,427.75	\$4,160.75
Totals		\$93,168.00	\$0.00	\$93,168.00	\$232,920.00	(\$25,781.25)	\$207,138.75	\$113,970.75

Disclosures

- The abatement calculator is prepared by Umbaugh, a financial consulting firm, in conjunction with Hoosier Energy, based on current Indiana law. This calculation is intended to provide an ILLUSTRATIVE and PRELIMINARY indication of the level of property taxes and potential property tax savings for a proposed investment based on certain assumptions. Please read the Disclosures carefully. Companies must consult their own tax advisors to determine their actual tax liability and to prepare their annual Indiana filings.
- To be eligible to receive property tax abatements in Indiana, a company must follow a specific application process. Please contact your Hoosier Energy Representative for further guidance.
- Assumes taxes payable 2016 property tax rates, as provided by the Indiana Department of Local Government Finance.
- Real property in Indiana is subject to annual adjustments of assessed value to the market value of the structure based on annual sales data ("Trending").
- All personal property (equipment) is assumed to be new, and is assumed to be depreciated in Pool #2 (5-8 year depreciable life) for property tax purposes. A mixture of new and existing equipment (as well as a mixture of depreciation pools) will produce different tax savings results.
- Assumes a one-time investment in real and personal property. Staggering the investments may have a material effect on the actual value of property tax abatements.
- Includes the calculation of Minimum Value Ratio (MVR) for tax abatement of personal property, which effectively increases the assessed value used in the abatement calculation when the taxpayer is subject to the 30% depreciation floor. The MVR equals the adjusted assessed value at the 30% floor divided by the depreciated assessed value of the equipment.
- It is assumed that the Circuit Breaker Tax Credit, which limits property tax liability to 3.0% of gross assessed value for

Indiana Tax Abatement Results

- Johnson County, Franklin City-Franklin Twp
- Tax Rate (2016): 3.3734
- Project Name: Powder Metal Technicians

Real Property: \$1,380,925.00

		With Abatement			Without Abatement			Estimated Tax Abatement Savings
	Abatement Percentage	Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	
Year 1	100%	\$ 0.00	\$0.00	\$0.00	\$46,584.00	(\$5,156.25)	\$41,427.75	\$41,427.75
Year 2	85%	\$ 6,988.00	\$0.00	\$6,988.00	\$46,584.00	(\$5,156.25)	\$41,427.75	\$34,439.75
Year 3	71%	\$ 13,509.00	\$0.00	\$13,509.00	\$46,584.00	(\$5,156.25)	\$41,427.75	\$27,918.75
Year 4	57%	\$ 20,031.00	\$0.00	\$20,031.00	\$46,584.00	(\$5,156.25)	\$41,427.75	\$21,396.75
Year 5	43%	\$ 26,553.00	\$0.00	\$26,553.00	\$46,584.00	(\$5,156.25)	\$41,427.75	\$14,874.75
Year 6	29%	\$ 33,075.00	\$0.00	\$33,075.00	\$46,584.00	(\$5,156.25)	\$41,427.75	\$8,352.75
Year 7	14%	\$ 40,062.00	\$0.00	\$40,062.00	\$46,584.00	(\$5,156.25)	\$41,427.75	\$1,365.75
Totals		\$140,218.00	\$0.00	\$140,218.00	\$326,088.00	(\$36,093.75)	\$289,994.25	\$149,776.25

Disclosures

- The abatement calculator is prepared by Umbaugh, a financial consulting firm, in conjunction with Hoosier Energy, based on current Indiana law. This calculation is intended to provide an ILLUSTRATIVE and PRELIMINARY indication of the level of property taxes and potential property tax savings for a proposed investment based on certain assumptions. Please read the Disclosures carefully. Companies must consult their own tax advisors to determine their actual tax liability and to prepare their annual Indiana filings.
- To be eligible to receive property tax abatements in Indiana, a company must follow a specific application process. Please contact your Hoosier Energy Representative for further guidance.
- Assumes taxes payable 2016 property tax rates, as provided by the Indiana Department of Local Government Finance.
- Real property in Indiana is subject to annual adjustments of assessed value to the market value of the structure based on annual sales data ("Trending").
- All personal property (equipment) is assumed to be new, and is assumed to be depreciated in Pool #2 (5-8 year depreciable life) for property tax purposes. A mixture of new and existing equipment (as well as a mixture of depreciation pools) will produce different tax savings results.
- Assumes a one-time investment in real and personal property. Staggering the investments may have a material effect on the actual value of property tax abatements.
- Includes the calculation of Minimum Value Ratio (MVR) for tax abatement of personal property, which effectively increases the assessed value used in the abatement calculation when the taxpayer is subject to the 30% depreciation floor. The MVR

Indiana Tax Abatement Results

- Johnson County, Franklin City-Franklin Twp
- Tax Rate (2016): 3.3734
- Project Name: Powder Metal Technicians

Real Property: \$1,380,925.00

		With Abatement			Without Abatement			Estimated
	Abatement Percentage	Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	Tax Abatement Savings
Year 1	100%	\$ 0.00	\$0.00	\$0.00	\$46,584.00	(\$5,156.25)	\$41,427.75	\$41,427.75
Year 2	95%	\$ 2,329.00	\$0.00	\$2,329.00	\$46,584.00	(\$5,156.25)	\$41,427.75	\$39,098.75
Year 3	80%	\$ 9,317.00	\$0.00	\$9,317.00	\$46,584.00	(\$5,156.25)	\$41,427.75	\$32,110.75
Year 4	65%	\$ 16,304.00	\$0.00	\$16,304.00	\$46,584.00	(\$5,156.25)	\$41,427.75	\$25,123.75
Year 5	50%	\$ 23,292.00	\$0.00	\$23,292.00	\$46,584.00	(\$5,156.25)	\$41,427.75	\$18,135.75
Year 6	40%	\$ 27,950.00	\$0.00	\$27,950.00	\$46,584.00	(\$5,156.25)	\$41,427.75	\$13,477.75
Year 7	30%	\$ 32,609.00	\$0.00	\$32,609.00	\$46,584.00	(\$5,156.25)	\$41,427.75	\$8,818.75
Year 8	20%	\$ 37,267.00	\$0.00	\$37,267.00	\$46,584.00	(\$5,156.25)	\$41,427.75	\$4,160.75
Year 9	10%	\$ 41,926.00	(\$498.25)	\$41,427.75	\$46,584.00	(\$5,156.25)	\$41,427.75	\$0.00
Year 10	5%	\$ 44,255.00	(\$2,827.25)	\$41,427.75	\$46,584.00	(\$5,156.25)	\$41,427.75	\$0.00
Totals		\$235,249.00	(\$3,325.50)	\$231,923.50	\$465,840.00	(\$51,562.50)	\$414,277.50	\$182,354.00

Disclosures

- The abatement calculator is prepared by Umbaugh, a financial consulting firm, in conjunction with Hoosier Energy, based on current Indiana law. This calculation is intended to provide an ILLUSTRATIVE and PRELIMINARY indication of the level of property taxes and potential property tax savings for a proposed investment based on certain assumptions. Please read the Disclosures carefully. Companies must consult their own tax advisors to determine their actual tax liability and to prepare their annual Indiana filings.
- To be eligible to receive property tax abatements in Indiana, a company must follow a specific application process. Please contact your Hoosier Energy Representative for further guidance.
- Assumes taxes payable 2016 property tax rates, as provided by the Indiana Department of Local Government Finance.
- Real property in Indiana is subject to annual adjustments of assessed value to the market value of the structure based on annual sales data ("Trending").
- All personal property (equipment) is assumed to be new, and is assumed to be depreciated in Pool #2 (5-8 year depreciable life) for property tax purposes. A mixture of new and existing equipment (as well as a mixture of depreciation pools) will produce different tax savings results.

CITY OF FRANKLIN, INDIANA

RESOLUTION NUMBER 2017-08

**A RESOLUTION GRANTING TAX ABATEMENT
FOR POWDER METAL TECHNICIANS**

WHEREAS, the Indiana General Assembly has enacted a statute, IC 6-1.1-12.1 (the “Act”) authorizing certain tax deductions of property taxes (as defined in the Act) attributable to redevelopment or rehabilitation activities in economic development areas; and

WHEREAS, *Powder Metal Technicians* (the “Applicant”) has submitted a Statement of Benefits and made application for Real Property Tax Abatement pursuant to the Act; and

WHEREAS, the Franklin Economic Development Commission has on July 11th, 2017, held a public meeting and considered amending the tax abatement request of *Powder Metal Technicians* (1725 N. Graham Road) in a manner consistent with the applicable section of the Indiana Code;

WHEREAS, the Franklin Economic Development Commission has made the findings required by IC 6-1.1-12.1-3 and IC 6-1.1-12.1-4.5 and recommended that *Powder Metal Technicians* receive a seven (7) year tax abatement with a 2% Economic Development Fee, on real property for the real estate described as “Exhibit A” and described in the tax abatement request;

WHEREAS, a copy of the Statement of Benefits recommended for approval by the Franklin Economic Development Commission is attached hereto as “Exhibit B;”

WHEREAS, the said real estate as described in “Exhibit A” is located in an existing Economic Revitalization Area as approved by the City of Franklin Common Council with City Council Resolution Number 2012-04 and confirmed by Resolution Number 2012-05;

WHEREAS, the Common Council has received and reviewed “Exhibit B” with all attachments, and that such attachments are made a part hereof and incorporated herein, all which together contain the necessary statements of benefits and description of the project, along with the recommendation of the Economic Development Commission for tax abatement for real property; and

WHEREAS, the Common Council has give careful consideration to the materials submitted and affirms the findings of the Franklin Economic Development Commission relative to the requirements of IC 6-1.1-12.1-3 and IC 6-1.1-12.1-4.5.

NOW THEREFORE BE IT RESOLVED THAT:

- 1) The abatement of real property tax shall extend for a period of _____ years pursuant to the deduction schedule set forth in Exhibit C.
- 2) *Powder Metal Technicians* shall be required to provide the City of Franklin with information showing the extent to which there has been compliance with the statement of benefits submitted in their request for tax abatement within sixty (60) days after the end of each year in which the

deduction is applicable, as required by IC 6-1.1-12.1-5.1.

- 3) A copy of this resolution and a description of the affected area will be available and can be inspected in the office of the Johnson County Assessor and the City Clerk/Treasurer.

APPROVED by the Common Council of the City of Franklin, Johnson County, Indiana, this 17th day of July, 2017.

City of Franklin, Indiana, By its Common Council:

Voting Affirmative:

Voting Opposed:

Keith Fox, Council President

Keith Fox, Council President

Joseph P. Abban

Joseph P. Abban

Joseph R. Ault

Joseph R. Ault

Kenneth Austin

Kenneth Austin

Andrew Eggers

Andrew Eggers

Robert D. Heuchan

Robert D. Heuchan

Richard L. Wertz

Richard L. Wertz

Attest:

Jayne Rhoades, City Clerk-Treasurer

Presented by me to the Mayor of the City of Franklin for his approval or veto pursuant to Indiana Code § 36-4-6-15, 16, this _____ day of _____, 2017 at _____ o'clock a.m./p.m.

Jayne Rhoades, City Clerk-Treasurer

This ordinance having been passed by the legislative body and presented to me [Approved by me and duly adopted, pursuant to Indiana Code § 36-4-6-16(a)(1)] [Vetoed, pursuant to Indiana Code § 36-4-6-16(a)(2)], this _____ day of _____, 2017 at _____ o'clock a.m./p.m.

Steve Barnett, Mayor

Attest:

Jayne Rhoades, City Clerk-Treasurer

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

"I affirm, under the penalties for perjury, that I have taken reasonable care to redact each social security number in this document, unless required by law."

Krista Linke, Director of Community Development



STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51767 (R2 / 1-07)

Prescribed by the Department of Local Government Finance

EXHIBIT B

2019 PAY 2020

FORM SB-1 / Real Property

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

- ☒ Redevelopment or rehabilitation of real estate improvements (IC 6-1.1-12.1-4)
☐ Eligible vacant building (IC 6-1.1-12.1-4.8)

INSTRUCTIONS:

- This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body **BEFORE** the redevelopment or rehabilitation of real property for which the person wishes to claim a deduction. "Projects" planned or committed to after July 1, 1987, and areas designated after July 1, 1987, require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
- Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to initiation of the redevelopment or rehabilitation, **BEFORE** a deduction may be approved.
- To obtain a deduction, application Form 322 ERA/RE or Form 322 ERA/VBD, Whichever is applicable, must be filed with the County Auditor by the later of: (1) May 10; or (2) thirty (30) days after the notice of addition to assessed valuation or new assessment is mailed to the property owner at the address shown on the records of the township assessor.
- Property owners whose Statement of Benefits was approved after June 30, 1991, must attach a Form CF-1/Real Property annually to the application to show compliance with the Statement of Benefits. [IC 6-1.1-12.1-5.1(b) and IC 6-1.1-12.1-5.3(j)]
- The schedules established under IC 6-1.1-12.1-4(d) for rehabilitated property and under IC 6-1.1-12.1-4.8(1) for vacant buildings apply to any statement of benefits approved on or after July 1, 2000. The schedules effective prior to July 1, 2000, shall continue to apply to a statement of benefits filed before July 1, 2000.

SECTION 1		TAXPAYER INFORMATION			
Name of taxpayer PMT PROPERTIES, LLC					
Address of taxpayer (number and street, city, state, and ZIP code) 8462 BROOKVILLE ROAD					
Name of contact person DOUG HEFLEY		Telephone number (317) 353-2812		E-mail address doug@pmtfco.com	
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT			
Name of designating body CITY OF FRANKLIN		Resolution number			
Location of property 1725 N. GRAHAM RD. FRANKLIN, IN		County JOHNSON		DLGF taxing district number	
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) Construct 14,000 sq-ft steel building				Estimated start date (month, day, year) AUGUST 15, 2017	
				Estimated completion date (month, day, year) APRIL 30, 2018	
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT			
Current number 11	Salaries AVG HRly Rate - \$21.11	Number retained 11	Salaries AVG HRly Rate - \$21.11	Number additional 4	Salaries AVG HRly Rate - \$22.00
SECTION 4		ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT			
NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.		REAL ESTATE IMPROVEMENTS			
		COST		ASSESSED VALUE	
		Current values		10,589	
		Plus estimated values of proposed project		1,380,925	
		Less values of any property being replaced		1,370,336	
Net estimated values upon completion of project		1,380,925		1,380,925	
SECTION 5		WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER			
Estimated solid waste converted (pounds) 0.00		Estimated hazardous waste converted (pounds) 0.00			
Other benefits					
SECTION 6		TAXPAYER CERTIFICATION			
I hereby certify that the representations in this statement are true.					
Signature of authorized representative Jenny D. Hefley		Title MANAGING MEMBER		Date signed (month, day, year) 6-8-2017	

FOR USE OF THE DESIGNATING BODY

We have reviewed our prior actions relating to the designation of this Economic Revitalization Area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1, provides for the following limitations:

- A. The designated area has been limited to a period of time not to exceed _____ calendar years * (see below). The date this designation expires is _____.
- B. The type of deduction that is allowed in the designated area is limited to:
- | | | |
|--|------------------------------|-----------------------------|
| 1. Redevelopment or rehabilitation of real estate improvements | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. Residentially distressed areas | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. Occupancy of a vacant building | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
- C. The amount of the deduction applicable is limited to \$ _____.
- D. Other limitations or conditions (specify) _____
- E. The deduction is allowed for _____ years* (see below).

We have also reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved (signature and title of authorized member of designating body)	Telephone number	Date signed (month, day, year)
Attested by (signature and title of attester)	Designated body	

* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.12-12.1-4.

- A. For residentially distressed areas, the deduction period may not exceed five (5) years.
- B. For redevelopment and rehabilitation or real estate improvements:
1. If the Economic Revitalization Area was designated prior to July 1, 2000, the deduction period is limited to three (3), six (6), or ten (10) years.
 2. If the Economic Revitalization Area was designated after June 20, 2000, the deduction period may not exceed ten (10) years.
- C. For vacant buildings, the deduction period may not exceed two (2) years.

EXHIBIT C

Real Property Schedule

**1725 N. Graham Road
Franklin, IN 46131**

Resolution 2017-08

PMT Properties dba Powder Metal Technicians

Year	Abatement
1	100%
2	85%
3	71%
4	57%
5	43%
6	29%
7	14%