



## CITY OF FRANKLIN

Community Development Department

### Memorandum

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

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

**Date:** March 7, 2018

**Re:** Cases C 2018-16: Electro-Spec, Inc.  
C 2018-55: TOCO, Inc. (formerly 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 2017:

	Estimated on SB-1	Actual in 2017	Difference
Employees Retained	4	7	3
Salaries	\$200,000	\$310,312	\$110,312
New Employees	5	3	(2)
Salaries	\$135,000	\$54,710	-\$80,290
Total Employees	9	10	1
Total Salaries	\$335,000	\$365,022	\$30,022
Average Hourly Salaries	\$17.90	\$17.55	-\$0.35
Personal Property Improvements	\$1,000,000	\$757,402	-\$242,598
Real Vacant 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. In 2017 TOCO, Inc. exceeded the number of employees and exceeded the estimated total salaries estimated on the SB-1. 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. In 2017 TOCO,

Inc. spent an additional \$178,622 on personal property, which keeps them ahead of the estimated investment per year.

5. The real property investment well exceeds the SB-1 estimate.
6. 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



A Thomas Family Company

TOCO, Inc.  
Office: 317.739.3301 / Fax: 317.739.3303  
3070 RJ Parkway  
Franklin, IN 46131  
[www.tocinc.com](http://www.tocinc.com)

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

February 17, 2018

Re: (1) Salaries  
(2) Name Change

Dear Economic Development Commission Members:

While we have ten (10) employees, one (1) over our estimation on the SB-1, working at our 3070 RJ Parkway location our total payroll is below the \$400,000 projection. Our Franklin payroll for 2017 was \$365,022. This does not take into consideration the employees of AT Environmental who work out of our location.

We do have eleven employees as of February 5, 2018 and our total payroll for 2018 should exceed the \$400,000 projection.

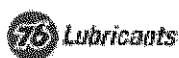
Please note that our name was changed from Trueblood Oil, Inc. to TOCO, Inc. in January of 2017. All ownership and tax I.D. numbers remain the same.

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

Regards,

*M. William Thomas*

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 <b>TOCO, Inc. (Formerly Trueblood Oil Co., Inc.) name change only</b>	County <b>Sullivan</b>
Address of taxpayer (number and street, city, state, and ZIP code) <b>P.O. Box 18 Farmersburg, IN 47850</b>	DLGF taxing district number
Name of contact person <b>M. William Thomas</b>	Telephone number <b>( 812 ) 696-5151</b>

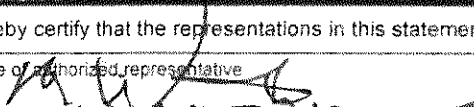
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY		
Name of designating body <b>City of Franklin Common Council</b>	Resolution number <b>15-11</b>	Estimated start date (month, day, year)
Location of property <b>3070 Parkway Franklin, IN 46131</b>		Actual start date (month, day, year)
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired.  <b>See attached</b>		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		9	10
Salaries		400,000.00	365,022.00
Number of employees retained		9	7
Salaries		400,000.00	310,312.00
Number of additional employees		0	3
Salaries		400,000.00	54,710.00

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								
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	513,981.00		78,919.00		142,069.00		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: <b>Oily/Water Gallons Processed and re-purposed. Reported in Gallons</b>			3,895,966.00

SECTION 6 TAXPAYER CERTIFICATION		
I hereby certify that the representations in this statement are true.		
Signature of authorized representative 	Title <b>President</b>	Date signed (month, day, year) <b>2/17/2018</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.



February 19, 2018

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 exceeded the estimated number of employees 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,

A handwritten signature in black ink, appearing to read "Jeffrey D. Smith", is written over the word "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 17 PAY 20 18

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	10
Salaries	200,000.00	365,022.00
Number of employees retained	4	7
Salaries	200,000.00	310,312.00
Number of additional employees	2	3
Salaries	135,000.00	54,710.00
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) 02/19/18

**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.

TOCO, INC. (Formerly Trueblood Oil)  
2017 Purchases 3070 RJ Parkway Franklin, IN.

Date	Quantity	Description	Location	Total	IT/Office	Log/Dist	R&D	Manufact
04/05/17	1	3 Tube Filter Cart	Warehouse	\$7,433				\$7,433
04/22/17	1	Chemistry Lab Table/Storage Cabinet	Lab	\$1,816			\$1,816	
05/01/17	1	Pump Model 4270 1.5HP	Warehouse	\$973				\$973
05/05/17	1	In-Tank Heater	Warehouse	\$2,086				\$2,086
05/17/17	1	Truck Lift Gate	Warehouse	\$2,611		\$2,611		
05/19/17	1	Drum Dispensing/Storage Units	Warehouse	\$6,926		\$6,926		
06/09/17	1	HP Laptop Computer	Office	\$836	\$836			
06/10/17	1	In-Line Heater	Warehouse	\$19,619				\$19,619
06/22/17	2	Hyster Electric Pallet Jacks	Warehouse	\$4,494		\$4,494		
06/29/17	1	10 GPM Filtration System	Warehouse	\$4,215				\$4,215
06/29/17	1	Endress/Hauser Flowmeter 2"	Warehouse	\$3,670				\$3,670
06/29/17	3	Centrifuges	Warehouse	\$64,850				\$64,850
09/12/17	1	Digital Jar Testing Apparatus 4 Spindle	Lab	\$1,100			\$1,100	
10/18/17	1	7,500 Gallon Cone Bottom Tank	Warehouse	\$1,500				\$1,500
10/19/17	1	2010 Peterbilt Tank Wagon Water/oil Reclamation	Warehouse	\$48,095		\$48,095		
11/14/17	1	Leasehold Improvements - Electrical	Warehouse	\$9,825				\$9,825
11/20/17	-1	Filter Press	Warehouse	-\$3,500				-\$3,500
12/01/17	1	Jar Mixers	Lab	\$2,074			\$2,074	
TOTALS				\$178,622	\$836	\$62,126	\$4,990	\$110,670
To-Date Totals As of Dec. 31, 2016				\$579,616	\$22,433	\$79,943	\$73,929	\$403,311
To-Date Totals End of 2017				\$758,238	\$23,269	\$142,069	\$78,919	\$513,981