



# CITY OF FRANKLIN

Community Development Department

## Memorandum

**To:** City of Franklin Economic Development Commission  
**From:** Rhoni Oliver, Community Development Specialist  
**Date:** May 1, 2018  
**Re:** Case C 2018-48: Pridgeon and Clay, Inc.

### Summary:

- 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).
- Actual and estimated benefits, as projected for 2017:

	Estimated on SB-1	Actual in 2017	Difference
Employees Retained	82	86	4
Salaries	\$2,873,936	\$4,766,060	\$1,892,124
New Employees	18	28	10
Salaries	\$520,416	\$663,040	\$142,624
Total Employees	100	114	14
Total Salaries	\$3,394,352	\$5,429,100	\$2,034,748
Average Hourly Salaries	\$16.32	\$22.90	\$6.58
Personal Property Improvements	\$3,300,000	\$2,309,362	-\$990,638
Real Property Improvements	\$500,000	\$500,000	\$0

- In 2016 P & C 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. In 2017 Pridgeon & Clay exceeded the estimated number of employees at \$6.58 per hour higher than reported on the SB-1.
- The company has met their estimate provided on their SB-1 Form for real property.
- 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.
- 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.
- 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 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 GROVE 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) 12/31/2015	

SECTION 3 EMPLOYEES AND SALARIES		
EMPLOYEES AND SALARIES	AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		114
Salaries		5,429,100.00
Number of employees retained		114
Salaries	3,066,000.00	5,429,100.00
Number of additional employees	40.00	28
Salaries	2,770,000.00	663,039.99

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	3,700,000							
Less: Values of any property being replaced	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	2,309,362							
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
Amount of hazardous waste converted		0
Other benefits:		0

SECTION 6 TAXPAYER CERTIFICATION		
I hereby certify that the representations in this statement are true.		
Signature of authorized representative Julonda Baldwin	Title PLANT CONTROLLER	Date signed (month, day, year) 02/07/2018



# COMPLIANCE WITH STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51766 (R2 / 1-07)

Prescribed by the Department of Local Government Finance

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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>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>	Resolution number <b>14-10</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>	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		
	AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		114
Salaries		5,429,100.00
Number of employees retained		114
Salaries	3,066,000.00	5,429,100.00
Number of additional employees	40	28
Salaries	2,770,000.00	663,039.99

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	500,000.00	
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	500,000.00	
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		0
Amount of hazardous waste converted		0
Other benefits:		0

SECTION 6 TAXPAYER CERTIFICATION		
I hereby certify that the representations in this statement are true.		
Signature of authorized representative <i>[Signature]</i>	Title <b>PLANT CONTROLLER</b>	Date signed (month, day, year) <b>02/07/2018</b>