



CITY OF FRANKLIN

Community Development Department

Memorandum

To: City of Franklin Economic Development Commission
From: Rhoni Oliver, Community Development Specialist
Date: April 5, 2019
Re: C 2019-07: Cooper Tire & Rubber Company

Summary:

- On July 21st, 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.
- Actual and estimated benefits, for 2018:

| | Estimated on SB-1 | Actual in 2018 | Difference |
|--------------------------------|-------------------|----------------|-------------|
| New Employees | 60 | 110 | 50 |
| Salaries | \$2,311,920 | \$5,188,068 | \$2,876,148 |
| Average Hourly Wage | \$18.53 | \$22.68 | \$4.15 |
| Personal Property Improvements | \$3,000,000 | \$3,879,622 | \$879,622 |

- Cooper Tire and Rubber Company exceeded their personal property investment by \$879,622.
- 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. In 2017 the number of employees was 52 more than stated on the SB-1 and the average hourly salary was \$2.73 higher than estimated. In 2018 the number of employees was 50 greater than estimated, and the hourly wage was \$4.15 more than stated on the SB-1.
- 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

March 19, 2019

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,

Rachel Cooper
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).

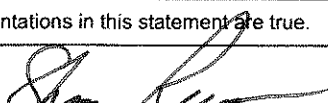
| SECTION 1 TAXPAYER INFORMATION | | |
|--|--|--|
| Name of taxpayer Cooper Tire & Rubber Company | County Johnson | |
| Address of taxpayer (number and street, city, state, and ZIP code) 701 Lima Avenue Findlay, OH 45840 | DLGF taxing district number 41018 | |
| Name of contact person Shea Reese | Telephone number (419) 420-6060 | |
| SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY | | |
| Name of designating body Franklin Common Council | Resolution number 08-17 | Estimated start date (month, day, year) 05/01/2009 |
| Location of property 500 Bartram Parkway, Franklin, 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. | Estimated completion date (month, day, year) 5/31/2021 | |
| | 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 | | 60 | 110 |
| Salaries | | 2,311,920.00 | 5,188,068.09 |

| 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 | | | | | 3,000,000.00 | | | |
| Less: Values of any property being replaced | | | | | | | | |
| Net values upon completion of project | | | | | 3,000,000.00 | | | |
| ACTUAL | COST | ASSESSED VALUE | COST | ASSESSED VALUE | COST | ASSESSED VALUE | COST | ASSESSED VALUE |
| Values before project | | | | | | | | |
| Plus: Values of proposed project | | | | | 3,879,622.00 | | | |
| Less: Values of any property being replaced | | | | | | | | |
| Net values upon completion of project | | | | | 3,879,622.00 | | | |

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 Manager | Date signed (month, day, year) 03/19/2019 |

**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):
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 | |
|-----------------------|--|---|--|-------------|------|------|------|---|---|-----------|
| | | | 6/30/2008 | 12/31/2017 | 3/31 | 6/30 | 9/30 | | | 12/31 |
| Machinery & Equipment | \$3,000,000 | | | \$3,758,310 | \$0 | \$0 | \$0 | \$121,312 | \$3,879,622 | \$879,622 |

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 12/31/17 (from SB-1) | Actual # of Employees Added During Year (by Qtr) | March-18 | June-18 | September-18 | December-18 | Actual # of Employees as of 12/31/2018 | Difference Between Actual and Proposed # of Employees |
|--|---|---|----------|---------|--------------|-------------|--|---|
| 60 | 112 | | 0 | 0 | 0 | 0 | 110 | 50 |

