



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: Case C 2019-52: TOCO, Inc. (formerly Trueblood Oil)

Summary:

- On April 6th, 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 6th, 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 2018:

	Estimated on SB-1	Actual in 2018	Difference
Employees Retained	4	7	3
Salaries	\$200,000	\$309,293	\$109,293
New Employees	5	4	-1
Salaries	\$135,000	\$170,000	\$35,000
Total Employees	9	11	2
Total Salaries	\$335,000	\$479,293	\$144,293
Average Hourly Salaries	\$17.90	\$20.95	\$3.05
Personal Property Improvements	\$1,000,000	\$471,559	-\$528,441

- 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. In 2018 total employees and hourly salaries exceed SB-1 estimates.
- The company indicated on their application that they planned to add \$1,000,000 in personal property in 2015, \$250,000 in 2016; \$250,000 in 2017; \$250,000 in 2018 and \$150,000 in 2019. In 2017 TOCO, Inc. spent an additional \$178,622 on personal property, which keeps them ahead

of the estimated investment per year. In 2018 personal property is reported much lower due to depreciation though an additional investment of \$94,898 was made.

5. The personal property tax abatement is scheduled to expire in 2019 pay 2020. The final compliance will take place in 2020.

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 TOCO, Inc.			
Address of taxpayer (number and street, city, state, and ZIP code) 3070 RJ Parkway Franklin, IN 46131			
Name of contact person Bill Thomas		Telephone number (317-) 739-3301	

SECTION 2		LOCATION AND DESCRIPTION OF PROPERTY	
Name of designating body City of Franklin Common Council		Resolution number 15-11	
Location of property 3070 RJ Parkway	County Johnson	DLGF taxing district number	
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 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		9.00	11.00
Salaries		400,000.00	479,293.00
Number of employees retained		9.00	7.00
Salaries			309,293.00
Number of additional employees			4.00
Salaries			170,000.00

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	1,000,000.0	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	471,559.00	78,919.00	147,662.00	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 (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			
Amount of hazardous waste converted			
Other benefits: <i>NON-HAZARDOUS OIL/WATER RECLAIMED & REPURPOSED.</i>		<i>REPORT IN GALLONS</i>	<i>4,315,000 GALS.</i>

SECTION 6		TAXPAYER CERTIFICATION	
I hereby certify that the representations in this statement are true.			
Signature of authorized representative <i>M. W. [Signature]</i>	Title President	Date signed (month, day, year) 3/22/19	

**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.