



## 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:** Cases C 2019-14: Electro-Spec, Inc. (15-09)

#### 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 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
Real 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. In 2018 TOCO exceeded number of employees and hourly salaries estimated on the SB-1.
- The real property investment well exceeds the SB-1 estimate.
- The vacant building deduction will expire in 2017 pay 2018 with final compliance in 2019.

Staff Recommendation: Approval



March 22, 2019

Ms. Rhoni Oliver, Community Development Specialist  
Dept. Of Planning & Economic Development  
70 East Monroe Street  
Franklin, IN 46131

RE: Tax Abatement Compliance for Electro-Spec, Inc.

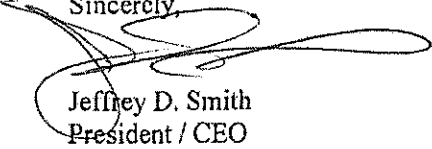
Dear Ms. Oliver:

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 exceed 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,



Jeffrey D. Smith  
President / CEO  
(317) 738-9199 ext. 924  
jsmith@electro-spec.com

1800 Commerce Parkway  
Franklin, IN 46131  
(317) 738-9199 phone  
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# COMPLIANCE WITH STATEMENT OF BENEFITS VACANT BUILDING DEDUCTION

State Form 55183 (2-13)

Prescribed by the Department of Local Government Finance

20 18 PAY 20 19

FORM CF-1 / VBD

## 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):

- ☐ Eligible vacant building (IC 6-1.1-12.1-4.8)  
☐ Enhanced eligible vacant building (IC 6-1.1-12.1-16)

## 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 <b>Electro-Spec, Inc.</b>			County <b>Johnson</b>
Address of taxpayer (number and street, city, state, and ZIP code) <b>1800 Commerce Parkway Franklin, IN 46131</b>			DLGF taxing district number <b>41-009</b>
Name of contact person <b>Jeffery D Smith</b>			Telephone number <b>( 317 ) 738-9199 ext 924</b>
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY			
Name of designating body <b>City of Franklin Common Council</b>		Resolution number <b>2015-09</b>	Estimated occupancy date (month, day, year) <b>April 28, 2015</b>
Location of property <b>3070 RJ Parkway Franklin, IN 46131</b>		Actual occupancy date (month, day, year) <b>April 28, 2015</b>	
Description of eligible vacant building that the property owner or tenant will occupy		Estimated date placed-in-use (month, day, year) <b>April 28, 2015</b>	
		Actual date placed-in-use (month, day, year) <b>April 28, 2015</b>	
SECTION 3 EMPLOYEES AND SALARIES			
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		<b>4</b>	<b>11</b>
Salaries		<b>200,000.00</b>	<b>479,293.00</b>
Number of employees retained		<b>4</b>	<b>7</b>
Salaries		<b>200,000.00</b>	<b>309,293.00</b>
Number of additional employees		<b>2</b>	<b>4</b>
Salaries		<b>135,000.00</b>	<b>170,000.00</b>
SECTION 4 COST AND VALUES			
COST AND VALUES		REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1		COST	ASSESSED VALUE
Values before project		<b>980,500.00</b>	
Plus: Values of proposed project		<b>75,000.00</b>	
Less: Values of any property being replaced			
Net values upon completion of project		<b>1,055,500.00</b>	
ACTUAL		COST	ASSESSED VALUE
Values before project		<b>980,500.00</b>	
Plus: Values of proposed project		<b>465,001.00</b>	
Less: Values of any property being replaced			
Net values upon completion of project		<b>1,445,501.00</b>	
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 <b>PRESIDENT</b>	Date signed (month, day, year) <b>3/22/19</b>

**OPTIONAL: FOR USE BY A DESIGNATING BODY WHO ELECTS TO REVIEW THE COMPLIANCE WITH THE FORM SB-1/VBO**

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.