



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

MINUTES

ECONOMIC DEVELOPMENT COMMISSION

April 9, 2019

Members Present:

Josh DeArmitt
Ken Austin
John Ditmars
Lee Hodgen

Vice President
Secretary
Member
Member

Others Present:

Krista Linke
Julie Spate

Director of Community Development
Recording Secretary

Call to Order:

Josh DeArmitt called the meeting to order.

Approval of Minutes

Lee Hodgen made a motion to approve the March 12th minutes. Ken Austin seconded. Passed.

Old Business

New Business

EDC 2019-01: BPRex Healthcare Packaging, Inc. – Aaron French, plant manager of Berry Global Franklin and representing Berry Corporate Evansville, gave a background on their company. They propose to purchase \$3.72 million of manufacturing equipment. They requested a 10-year tax abatement for this equipment. They propose to add four employees. Their Franklin location does approximately \$75 million in sales per year.

Mr. Austin disclosed that the company that employs him, Garco Supply, works with BPRex. He highlighted a seeming discrepancy in average hourly wage rates. The \$21.94 is the average hourly wage for existing employees. The \$17.60 is the average starting wage for new employees.

Mr. DeArmitt asked about turnover and employee benefits. Mr. French suggested they have grown steadily over the past four years. He also itemized benefits such as insurance package, 401(K), profit sharing, etc. Ms. Linke mentioned having received that information but didn't attach it to the agenda. All equipment will be new to Indiana. They agree to the five percent economic development fee.

Mr. Austin made a motion that criteria have been met. John Ditmars seconded. Passed.

Mr. Austin cited a shorter abatement for equipment. Mr. French responded with their company's policy of a 10-year depreciation schedule. Mr. Ditmars asked if the current abatement coming to an end in 2021 was for equipment. Mr. French confirmed. Mr. Ditmars followed up with question about the term given not only for the equipment focus but the limited number of four additional employees. Mr.

Ditmars made a motion for a five-year abatement with a 5% economic development fee. Mr. Austin seconded. Passed. The recommendation will go before City Council.

Mr. Austin asked Krista Linke to review the savings of the five-year abatement over the originally requested 10-year abatement. The property taxes assessed on \$3.72 million for a five-year estimated tax abatement savings is \$137,132.

C 2019-07: Cooper Tire & Rubber Company – Mr. DeArmitt observed this to be their final compliance hearing. Rhoni Oliver highlighted all their numbers to be good. They are \$2.8 million over on salaries, their hourly wage is \$4.15 over what was originally estimated and personal property improvements are \$879,000 over. Mr. Ditmars made a motion to find in compliance. Mr. Austin seconded. Passed.

C 2019-08: Shipston Aluminum (Formerly CTC Casting Technologies) – Mr. Austin moved to find in compliance. Mr. Ditmars seconded. Passed.

C 2019-11: Countertop Connections – Mr. Austin moved to find them in compliance. Mr. Hodgen seconded. Passed.

C 2019-12: Electro-Spec (08-04/10-13)

C 2019-13: Electro-Spec (12-07)

C 2019-14: Electro-Spec (15-09)

Mr. Austin moved to find them in compliance. Mr. Hodgen seconded. Passed.

Ms. Oliver added that two of these are their final compliance reports.

C 2019-15: Faulkenberg Printing – Mr. Austin moved to find them in compliance. Mr. Hodgen seconded. Passed.

C 2019-17: GROK Enterprises – Mr. Austin moved to find in compliance. Mr. Hodgen seconded. Passed.

C 2019-23: JM Stevens Enterprises – Mr. Ditmars moved to find in compliance. Mr. Austin seconded. Passed.

C 2019-25: Laugle Properties

C 2019-26: Laugle Properties Res. 08-06

Mr. Ditmars moved to find in compliance. Mr. Austin seconded. Passed.

C 2019-27: Mitsubishi Heavy Industries Climate Control (10-10) – Mr. Austin found in compliance. Mr. Hodgen seconded. Passed.

C 2019-28: Mitsubishi Heavy Industries Climate Control (12-10) – Mr. Austin found in compliance. Mr. Hodgen seconded. Passed.

C 2019-29: Mitsubishi Heavy Industries Climate Control (13-06/13-31) – Employee count is down due to leaner operations. No one has been laid off, but as people have left they have not all been replaced. Mr. Ditmars found in compliance. Mr. Austin seconded. Passed.

C 2019-30: Mitsubishi Turbocharger & Engine – Mr. Austin found in compliance. Mr. Hodgen seconded. Passed.

C 2019-31: Mitsubishi Heavy Industries Climate Control – Ms. Oliver added this is near the end of the abatement. Mr. Austin found them in compliance. Mr. Hodgen seconded. Passed.

C 2019-32: Mitsubishi Heavy Industries Climate Control – Mr. Ditmars found in compliance. Mr. Austin seconded. Passed. Mr. Ditmars asked if their issues with the county were resolved and if communication going forward had been resolved as well. Ms. Linke explained the process the city leads the company through to accurately report and receive their tax abatements. And City Council did not award Mitsubishi a refund on their missed filings in the past, but granted the remainder of the abatement going forward.

C 2019-42: Premium Composite Technology – Mr. Austin found in compliance. Mr. Hodgen seconded. Passed.

C 2019-52: TOCO, Inc. – Mr. Ditmars moved to find in compliance. Mr. Austin seconded. Passed.

Other Business

Ms. Linke announced a public meeting on April 18th at the Johnson County Museum. It starts at 6pm upstairs in the museum auditorium. It is for the purpose of input from community members as to what they'd like to see for arts initiatives in the district. Ms. Oliver added that a public survey is going out.

Mrs. Linke invited the Commission for a tour of 97 E Monroe Street – B2S Life Sciences following the adjournment of the meeting.

Adjournment

There being no further business, a motion for adjournment was made.

Respectfully submitted this 30th day of April, 2019.

Jake Sappenfield, President

Ken Austin, Secretary