



# CITY OF FRANKLIN

Community Development Department

## Memorandum

**To:** City of Franklin Economic Development Commission

**From:** Rhoni Oliver, Community Development Specialist

**Date:** April 26, 2019

**Re:** Case C 2019-49: Sunbeam FTP LLC

### Summary:

1. On October 16, 2017, the Franklin Common Council passed Resolution No. 2017-15, approving a 10-year tax abatement on real property for Sunbeam FTP LLC, located at 500 Bartram Parkway.
2. Actual and estimated benefits, as projected for 2018:

	Estimated on SB-1	Actual in 2018	Difference
Total Employees	0	0	0
Salaries	\$0	\$0	\$0
Average Hourly Salaries	\$0.00	\$0.00	\$0.00
Real Property Improvements	\$18,000,000	\$23,506,521	\$5,506,521

3. The company has exceeded their estimate provided on the SB-1 Form for real property.
4. The real property tax abatement is scheduled to expire in tax year 2028 payable 2029. The final compliance review will take place in 2029.

**Staff Recommendation:** Approval



March 26, 2019

City of Franklin  
Attn: Krista Linke  
70 East Monroe Street  
Franklin, IN 46131

Re: Resolution No. 2017-15 – Tax Abatement Compliance for Sunbeam Development  
(Sunbeam FTP LLC)

Dear Ms. Linke:

Enclosed please find Form CF-1/RE (Compliance with Statement of Benefits) regarding compliance with the real property tax abatement which was granted to Sunbeam Development in 2017 under Franklin Common Council Resolution Number 2017-15.

The above resolution was granted for the construction of a modern bulk warehouse facility of 600,000 square feet expandable to 1,000,000 square feet for an estimated value of \$18,000,000. In the Spring of 2018, Sunbeam broke ground for the construction of a 933,500 square foot warehouse facility. The following is a breakdown by quarter of capital investments for the building:

2018 2 <sup>nd</sup> Quarter	\$9,270,443
2018 3 <sup>rd</sup> Quarter	\$5,417,978
2018 4 <sup>th</sup> Quarter	<u>\$8,818,100</u>
	\$23,506,521

Currently the structure is a completed shell being marketed for lease. Once the facility is contracted under lease there will be additional build-out as required for perspective tenant.

Presently the County Assessor has not issued Form 11, Notice of Assessment for the 2019 pay 2020 tax year. We have been advised that those notices will be sent sometime after May 1<sup>st</sup>.

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Once the Form 11, Notice of Assessment is issued and received we will file the Form 322/RE Application for Deduction from Assessed Valuation of Structures in Economic Revitalization Areas and an updated CF-1/Real Property.

Attached with this letter is a CF-1/Real Property reflecting the investment value as discussed but not any current assessment as it is unknown.

Based on the foregoing information, Sunbeam FTP LLC is in full compliance with the investment requirements proposed on the original SB-1/Real Property.

Upon review of the enclosures should you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ken Kern', with a stylized flourish at the end.

Ken Kern  
Vice President

KK:llj

Enclosures

**COMPLIANCE WITH STATEMENT OF BENEFITS  
REAL ESTATE IMPROVEMENTS**

State Form 51766 (R3 / 2-13)

Prescribed by the Department of Local Government Finance

20 19 PAY 20 20

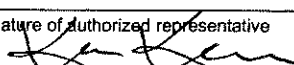
FORM CF-1 / Real Property

**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).

**INSTRUCTIONS:**

1. This form does not apply to property located in a residentially distressed area or any deduction for which the Statement of Benefits was approved before July 1, 1991.
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 (Form SB-1/Real Property).
3. This form must accompany the initial deduction application (Form 322/RE) that is filed with the county auditor.
4. 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))
5. With the approval of the designating body, compliance information for multiple projects may be consolidated on one (1) compliance form (Form CF-1/Real Property).

SECTION 1 TAXPAYER INFORMATION			
Name of taxpayer <b>SUNBEAM FTP LLC</b>		County <b>JOHNSON</b>	
Address of taxpayer (number and street, city, state, and ZIP code) <b>1401 79TH STREET CAUSEWAY, MIAMI BEACH, FL 33141</b>		DLGF taxing district number <b>018</b>	
Name of contact person <b>KEN KERN</b>		Telephone number <b>( 317 ) 842-1166</b>	
11800 EXIT FIVE PARKWAY, SUITE 100, FISHERS, IN 46037			
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY			
Name of designating body <b>CITY OF FRANKLIN, IN BY ITS COMMON COUNCIL</b>		Resolution number <b>2017-15</b>	Estimated start date (month, day, year) <b>08/2018</b>
Location of property <b>500 BARTRAM PARKWAY, FRANKLIN, IN</b>		Actual start date (month, day, year) <b>04/01/2018</b>	
Description of real property improvements <b>CONSTRUCTION OF 933,500 SF MODERN BULK WAREHOUSE FACILITY ON A SPECULATIVE BASIS</b>		Estimated completion date (month, day, year) <b>06/2019</b>	
		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			
Salaries			
SECTION 4 COST AND VALUES			
COST AND VALUES		REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1	COST	ASSESSED VALUE	
Values before project	<b>0</b>		
Plus: Values of proposed project	<b>\$18,000,000</b>		
Less: Values of any property being replaced			
Net values upon completion of project	<b>\$18,000,000</b>		
ACTUAL	COST	ASSESSED VALUE	
Values before project	<b>0</b>		
Plus: Values of proposed project	<b>\$23,506,521</b>		
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			
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 <b>V.P.</b>	Date signed (month, day, year) <b>3/26/19</b>

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 6-1.1-12.1-5.1 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/Real Property).
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/Real Property) 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.