



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 2019-45: Rapid Prototype and Engineering

Summary:

1. On January 16, 2018, the Franklin Common Council passed Resolution No. 2018-01, approving a 7-year tax abatement on real property with a 2% economic development fee and a 5-year personal property tax abatement with a 5% economic development fee for Rapid Prototype and Engineering located at 1424 Commerce Parkway.
2. Actual and estimated benefits, as projected for 2018:

	Estimated on SB-1	Actual in 2018	Difference
Employees	13	13	0
Salaries	\$562,080	\$700,486	\$138,406
Average Hourly Salaries	\$20.79	\$25.91	\$5.12
Real Property Improvements	\$1,100,000	\$1,120,059	\$20,059
Personal Property Improvements	\$500,000	\$297,838	-\$202,162

3. The company has exceeded their estimate provided on their SB-1 Form for real property improvements.
4. Rapid Prototype is ahead of the personal property investment schedule. They were to invest \$100,000 in year one, \$250,000 in year two, and \$150,000 in year three.
5. The job creation schedule is one employee in 2018, two employees in 2019, and one employee in 2020. Rapid Prototype has met their year one estimate at \$5.12 higher hourly salary.
6. The real property tax abatement is scheduled to expire in tax year 2025 payable 2026. The final compliance review will take place in 2026.
7. The personal property tax abatement is now scheduled to expire in 2023 pay 2024 due to Resolution 2010-13. The final compliance will take place in 2024.

Staff Recommendation: Approval

WK Investments LLC
dba Rapid Prototyping & Engineering, Inc.
1424 Commerce Pkwy
Franklin, IN 46131
E-Mail: kasey@rpemachining.com

Phone: 317-750-1624

March 27, 2019

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

Re: 2018 Tax Abatement Compliance Packet for WK Investments LLC dba Rapid Prototyping & Engineering, Inc.

Dear Ms. Linke,

Enclosed, please find Forms CF-1/RE and CF-1/PP (Compliance with Statement of Benefits) regarding compliance with the real property and personal property tax abatements which were granted to WK Investments LLC dba Rapid Prototyping & Engineering, Inc. in 2018 under Franklin Common Council Resolution number 2018-01.

As can be seen from reviewing the enclosed documents, our company has been successful in

- (a) making all of the capital investment which had been projected for the past year, and
- (b) creating the full complement of jobs which had been proposed in the Statement of Benefits (Form SB-1) which was approved on January 16, 2018.
- (c) Construction and improvements of the real property were completed on 8/1/2018.

Please review all of the enclosed documents and if you have any questions or concerns regarding this matter, please feel free to contact me at (317) 750-1624.

Sincerely,



Kasey Myers
WK Investments LLC
dba Rapid Prototype and Engineering



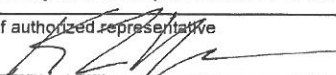
COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

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 WK Investments, LLC dba Rapid Prototyping & Engineering, Inc.								
Address of taxpayer (number and street, city, state, and ZIP code) 1424 Commerce Pkwy Franklin, IN 46131								
Name of contact person Kasey Myers						Telephone number (317) 750-1624		
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY								
Name of designating body The City of Franklin Common Council						Resolution number 2018-01		
Location of property 1424 Commerce Pkwy, Franklin, IN 46161				County Johnson		DLGF taxing district number 5100 11 01 007/02		
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired. CNC Equipment						Estimated starting date (month, day, year) 01-01-2018		
						Estimated completion date (month, day, year) 12-31-25		
SECTION 3 EMPLOYEES AND SALARIES								
EMPLOYEES AND SALARIES					AS ESTIMATED ON SB-1		ACTUAL	
Current number of employees					12.00		11.00	
Salaries					508,000.00		700,486.00	
Number of employees retained					12.00		9.00	
Salaries					508,000.00		654,434.00	
Number of additional employees					8.00		4.00	
Salaries					432,640.00		109,133.00	
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	0.00							
Plus: Values of proposed project	500,000.00							
Less: Values of any property being replaced	0.00							
Net values upon completion of project	500,000.00							
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	0.00							
Plus: Values of proposed project	297,838.00							
Less: Values of any property being replaced	0.00							
Net values upon completion of project	297,838.00							
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:								
SECTION 6 TAXPAYER CERTIFICATION								
I hereby certify that the representations in this statement are true.								
Signature of authorized representative 				Title Owner		Date signed (month, day, year) 03.27.19		

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.



COMPLIANCE WITH STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51766 (R3 / 2-13)

Prescribed by the Department of Local Government Finance

20__ PAY 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 WK Investments, LLC dba Rapid Prototyping & Engineering, Inc.		County Johnson	
Address of taxpayer (number and street, city, state, and ZIP code) 1424 Commerce Pkwy Franklin, IN 46131		DLGF taxing district number 5100 11 01 007/02	
Name of contact person Kasey Myers		Telephone number (317) 750-1624	
SECTION 2		LOCATION AND DESCRIPTION OF PROPERTY	
Name of designating body The City of Franklin Common Council		Resolution number 2018-01	Estimated start date (month, day, year) 4/1/2018
Location of property 1424 Commerce Parkway, Franklin, IN 46131		Actual start date (month, day, year) 4/1/2018	
Description of real property improvements See real property listing attached.		Estimated completion date (month, day, year) 12/31/2018	
		Actual completion date (month, day, year) 8/1/2018	
SECTION 3		EMPLOYEES AND SALARIES	
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		12	11
Salaries		508,000.00	700,486.00
Number of employees retained		12	9
Salaries		508,000.00	654,434.00
Number of additional employees		8	4
Salaries		432,640.00	109,133.00
SECTION 4		COST AND VALUES	
COST AND VALUES		REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1	COST	ASSESSED VALUE	
Values before project	0.00		
Plus: Values of proposed project	1,100,000.00		
Less: Values of any property being replaced	0.00		
Net values upon completion of project	1,100,000.00		
ACTUAL	COST	ASSESSED VALUE	
Values before project	0.00		
Plus: Values of proposed project	1,120,059.00		
Less: Values of any property being replaced	0.00		
Net values upon completion of project	1,120,059.00		
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 Owner	Date signed (month, day, year) 03.27.19

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 6-1.1-12.1-5.1 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 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.

WK INVESTMENTS LLC DBA RAPID PROTOTYPING & ENGINEERING, INC.

INVESTMENT TIMETABLE

	Buildings	Equip. Type 1	Equip. Type 2	Equip. Type 3	Total
Year of Abatement	2018	2018			
1st Quarter	-	-			
2nd Quarter	-	-			
3rd Quarter	1,120,059.00	35,058.00			1,155,117.00
4th Quarter	-	262,780.00			262,780.00
					1,417,897.00
Year of Abatement					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
Year of Abatement					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
TOTAL					1,417,897.00

JOB CREATION/RETENTION TIMETABLE

	Created	Retained	Job Type 3	Job Type 4	Total
Year of Abatement	2018	2018			
1st Quarter	-	10			10
2nd Quarter	-	9			9
3rd Quarter	3	9			12
4th Quarter	1	12			13
Year of Abatement					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
Year of Abatement					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
TOTAL					