



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Memorandum

To: Economic Development Commission
From: Dana Monson
Date: August 11, 2020
Re: Shell Building – Request for Waiver of Non-Compliance

On August 21st, 2017, The Franklin Common Council passed Resolution No. 2017-10, approving a 10-year tax abatement on real property for the Franklin Shell Building located at 40 Linville Way. The shell was anticipated to be completed in 2018, however due to a potential project the completion was delayed until late 2019. The county auditor did a partial assessment of the building on January 1, 2020 and submitted a form 11 to the city on July 31, 2020. In an initial discussion with the county auditor's office in 2019, the city was instructed not to complete a CF-1 Compliance form and 322 form until the property was purchased by a private entity. The reasoning was that the city does not pay property taxes so therefore there is nothing to abate. The Auditor then contacted the Community Development Department in July 2020 and had a revised opinion. They now felt that the city did need to complete these forms. The Community Development Department followed up with the Auditor and the DLGF and it is now known that these forms do need to be completed as the building has been completed.

The purpose of completing the CF-1 compliance is to start the abatement in the correct year per Indiana Code so that it will be viable and can transfer to the new private owner once the building is purchased. Without completing these forms, the abatement will be out of compliance and will not be able to be transferred. The remedy for this situation is to complete a request for a waiver of non-compliance as well as the form 322 and CF-1 compliance for 2020. This will put this partial assessment in year one of the abatement in 2020 per the resolution 2017-10.

If you have any questions regarding this request, please contact me directly at 346-1254.



COMPLIANCE WITH STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51766 (R3 / 2-13)

Prescribed by the Department of Local Government Finance

20 20 PAY 20 21

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 City of Franklin		County Johnson	
Address of taxpayer (number and street, city, state, and ZIP code) 70 E. Monroe Street Franklin, In. 46131		DLGF taxing district number	
Name of contact person Krista Linke		Telephone number (317) 736-3631	
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY			
Name of designating body Franklin Common Council		Resolution number 2017-10	Estimated start date (month, day, year) 10-01-20107
Location of property 40 Linville Way Franklin, In. 41-08-02-043-001.000-009		Actual start date (month, day, year) 10-01-2017	
Description of real property improvements New construction shell of building only		Estimated completion date (month, day, year) 05-01-2018	
		Actual completion date (month, day, year) 10-31-2019	
SECTION 3 EMPLOYEES AND SALARIES			
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		0	0
Salaries		0	0
Number of employees retained		0	0
Salaries		0	0
Number of additional employees		0	0
Salaries		0	0
SECTION 4 COST AND VALUES			
COST AND VALUES		REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1		COST	ASSESSED VALUE
Values before project		127400	127400
Plus: Values of proposed project			
Less: Values of any property being replaced			
Net values upon completion of project		2837000	2837000
ACTUAL		COST	ASSESSED VALUE
Values before project		127400	127400
Plus: Values of proposed project			
Less: Values of any property being replaced			
Net values upon completion of project		682600	682600
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 <i>Krista Linke</i>		Title Community Development Director	Date signed (month, day, year) 8-5-2020

**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.

FILED

SUBJECT TO FINAL ACCEPTANCE

SEP 07 2017

Ramona J. Burton
AUDITOR, JOHNSON COUNTY

CITY OF FRANKLIN, INDIANA

RESOLUTION NUMBER 2017-10

Re-Record to Hdd
Exhibit C - Page 9

2017-019911
RECORDED ON
08/28/2017
2:22:04 PM
JILL L JACKSON
JOHNSON COUNTY
RECORDER
REC FEE: 25.00

**A RESOLUTION GRANTING TAX ABATEMENT FOR THE CITY OF FRANKLIN
REDEVELOPMENT COMMISSION**

WHEREAS, the Indiana General Assembly has enacted a statute, IC 6-1.1-12.1 (the "Act") authorizing certain tax deductions of property taxes (as defined in the Act) attributable to redevelopment or rehabilitation activities in economic development areas; and

WHEREAS, *The City of Franklin Redevelopment Commission* (the "Applicant") has submitted a Statement of Benefits and made application for Real Property Tax Abatement pursuant to the Act; and

WHEREAS, the Franklin Economic Development Commission has on August 8th, 2017, held a public meeting and considered the tax abatement request of *The City of Franklin Redevelopment Commission* in a manner consistent with the applicable section of the Indiana Code;

WHEREAS, the Franklin Economic Development Commission has made the findings required by IC 6-1.1-12.1-3 and recommended that *The City of Franklin Redevelopment Commission* receive a ten (10) year tax abatement on real property for the real estate described as "Exhibit A" and described in the tax abatement request;

WHEREAS, a copy of the Statement of Benefits recommended for approval by the Franklin Economic Development Commission is attached hereto as "Exhibit B;"

WHEREAS, the said real estate as described in "Exhibit A" is located in an existing Economic Revitalization Area as approved by the City of Franklin Common Council with City Council Resolution Number 2012-04 and confirmed by Resolution Number 2012-05;

WHEREAS, the Common Council has received and reviewed "Exhibit B" with all attachments, and that such attachments are made a part hereof and incorporated herein, all which together contain the necessary statements of benefits and description of the project, along with the recommendation of the Economic Development Commission for tax abatement for real and personal property; and

WHEREAS, the Common Council has given careful consideration to the materials submitted and affirms the findings of the Franklin Economic Development Commission relative to the requirements of IC 6-1.1-12.1-3 specifically including the following findings:

As to **real property** the following findings are made:

- 1) Whether the estimate of the value of the development or rehabilitation is reasonable for projects of that nature;
- 2) Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed redevelopment or rehabilitation;
- 3) Whether the estimate of annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed redevelopment or rehabilitation;

Sales Disclosure NOT Required
Johnson County Assessor

Sales Disclosure NOT Required
Johnson County Assessor

9/7/17



FILED

AUG 28 2017

Ramona J. Burton
JOHNSON CO. AUDITOR

- 4) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed redevelopment or rehabilitation; and
- 5) Whether the totality of the benefits is sufficient to justify the tax abatement.

NOW THEREFORE BE IT RESOLVED THAT:

- 1) The abatement of real property tax shall extend for a period of 10 years pursuant to the deduction schedule set forth in Exhibit C.
- 2) *The City of Franklin Redevelopment Commission* shall be required to provide the City of Franklin with information showing the extent to which there has been compliance with the statement of benefits submitted in their request for tax abatement within sixty (60) days after the end of each year in which the deduction is applicable, as required by IC 6-1.1-12.1-5.1.
- 3) A copy of this resolution and a description of the affected area will be available and can be inspected in the office of the Johnson County Assessor and the City Clerk/Treasurer.

APPROVED by the Common Council of the City of Franklin, Johnson County, Indiana, this 21th day of August, 2017.

City of Franklin, Indiana, By its Common Council:

Voting Affirmative:



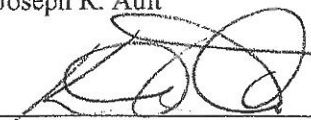
Keith Fox, Council President



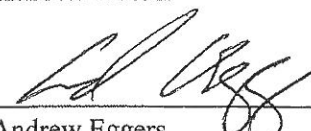
Joseph P. Abban

Absent


Joseph R. Ault



Kenneth Austin



Andrew Eggers



Robert D. Heuchan

Voting Opposed:

Keith Fox, Council President


Joseph P. Abban

Joseph R. Ault

Kenneth Austin

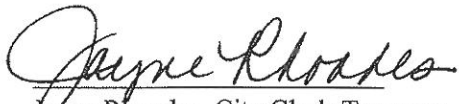
Andrew Eggers

Robert D. Heuchan


Richard L. Wertz

Richard L. Wertz

Attest:


Jayne Rhoades, City Clerk-Treasurer

Presented by me to the Mayor of the City of Franklin for his approval or veto pursuant to Indiana Code § 36-4-6-15, 16, this 21 day of August, 2017 at 6:40 o'clock a.m./p.m.


Jayne Rhoades, City Clerk-Treasurer

This ordinance having been passed by the legislative body and presented to me [Approved by me and duly adopted, pursuant to Indiana Code § 36-4-6-16(a)(1)] [Vetoed, pursuant to Indiana Code § 36-4-6-16(a)(2)], this 21 day of August, 2017 at 6:40 o'clock a.m./p.m.


Steve Barnett, Mayor

Attest:

Jayne Rhoades, City Clerk-Treasurer

Prepared by: Krista M. Linke, Director of Community Development

"I affirm, under the penalties for perjury, that I have taken reasonable care to redact each social security number in this document, unless required by law."

Krista Linke
Krista Linke, Director of Community Development

"EXHIBIT A"

LAND DESCRIPTION - -

A portion of the property of Maurice Fred Linville and Helen Ann Linville
Part of Deed Book 160, page 303
June 16, 2017

TRACT 1:

A part of the Southeast Quarter of Section 2, Township 12 North, Range 4 East of the Second Principal Meridian, Franklin Township, Johnson County, Indiana, more particularly described as follows:

Commencing at the Southwest Corner of the Southeast Quarter of said Section 2, Township 12 North, Range 4 East; thence North 00 degrees 30 minutes 09 seconds West (Basis of Bearings: Indiana State Plane Coordinates, East Zone, NAD 83) 1185.11 feet along the West Line of said Southeast Quarter to the northwestern corner of the tract of land granted to Maurice Fred Linville and Helen Ann Linville (recorded as Deed Book 160, page 303 in the Office of the Recorder of Johnson County Indiana) and the southwestern corner of the tract of land granted to Raymond Eugene Canary and Terry Lee Canary (recorded as Instrument Number 2007-012267 in said Recorder's Office); thence North 89 degrees 09 minutes 29 seconds East 40.00 feet along the common line of said tracts to a point lying 40.00 feet (measured easterly in a perpendicular direction) from the West Line of said Southeast Quarter) to the northeastern corner of the 3.805-acre proposed eastern right-of-way of Graham Road ("proposed right-of-way") as described in Exhibits A & B, prepared for the City of Franklin, Indiana by Crossroads Engineers, PC, being the POINT OF BEGINNING of this description; thence continue North 89 degrees 09 minutes 29 seconds East 840.19 feet along said common line; thence South 00 degrees 30 minutes 09 seconds East 682.45 feet parallel with the West Line of said Southeast Quarter to a northern line of said proposed right-of-way (all of the remaining courses are along said proposed right-of-way); thence South 89 degrees 09 minutes 29 seconds West 644.76 feet; thence North 83 degrees 26 minutes 06 seconds West 100.84 feet; thence South 89 degrees 09 minutes 29 seconds West 70.36 feet; thence North 45 degrees 40 minutes 20 seconds West 35.25 feet; thence North 00 degrees 30 minutes 09 seconds West 644.45 feet parallel with the West Line of said Southeast Quarter to the POINT OF BEGINNING, containing 13.112 acres, more or less.

TRACT 2:

Part of the Southeast Quarter of Section 2, Township 12 North, Range 4 East, Franklin Township, Johnson County, Indiana, described as follows:

Commencing at the Southeast Corner of said Southeast Quarter; thence North 89 degrees 58 minutes 04 seconds West, along the South Line of said Southeast Quarter, a distance of 1401.56 feet; thence North 00 degrees 00 minutes 00 seconds West a distance of 286.48 feet to a tangent curve; thence Northwesterly 363.98 feet along an arc to the left having a radius of 230.00 feet and subtended by a long chord having a bearing of North 45 degrees 20 minutes 11 seconds West and a length of 327.17 feet; thence South 89 degrees 19 minutes 38 seconds West a distance of 206.81 feet to the Place of Beginning; thence South 00 degrees 20 minutes 00 seconds East a distance of 60.00 feet; thence South 89 degrees 19 minutes 38 seconds West a distance of 880.19 feet to the West line of said Southeast Quarter; thence North 00 degrees 20 minutes 00 seconds West, along said West Line, a distance of 742.45 feet; thence North 89

degrees 19 minutes 38 seconds East a distance of 40.00 feet; thence South 00 degrees 20 minutes 00 seconds East, parallel with said West Line, a distance of 644.45 feet; thence South 45 degrees 30 minutes 11 seconds East a distance of 35.25 feet; thence North 89 degrees 19 minutes 38 seconds East a distance of 70.36 feet; thence South 83 degrees 15 minutes 57 seconds East a distance of 100.84 feet; thence North 89 degrees 19 minutes 38 seconds East a distance of 644.76 feet to the Place of Beginning, containing 1.890 acres, more or less.

EXHIBIT C

Real Property Schedule

**40 Linville Way
Franklin, IN 46131**

Resolution 2017-10

City of Franklin Redevelopment Commission

Year	Abatement
1	100%
2	95%
3	80%
4	65%
5	50%
6	40%
7	30%
8	20%
9	10%
10	5%

**STATEMENT OF BENEFITS
REAL ESTATE IMPROVEMENTS**

State Form 51767 (R2 / 1-07)

Prescribed by the Department of Local Government Finance

EXHIBIT B

20__ PAY 20__

FORM SB-1 / Real Property

This statement is being completed for real property that qualifies under the following Indiana Code (check one box):

- ☐ Redevelopment or rehabilitation of real estate improvements (IC 6-1.1-12.1-4)
☐ Eligible vacant building (IC 6-1.1-12.1-4.8)

INSTRUCTIONS:

1. This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body **BEFORE** the redevelopment or rehabilitation of real property for which the person wishes to claim a deduction. "Projects" planned or committed to after July 1, 1987, and areas designated after July 1, 1987, require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
2. Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to initiation of the redevelopment or rehabilitation, **BEFORE** a deduction may be approved.
3. To obtain a deduction, application Form 322 ERA/RE or Form 322 ERA/VBD, Whichever is applicable, must be filed with the County Auditor by the later of: (1) May 10; or (2) thirty (30) days after the notice of addition to assessed valuation or new assessment is mailed to the property owner at the address shown on the records of the township assessor.
4. Property owners whose Statement of Benefits was approved after June 30, 1991, must attach a Form CF-1/Real Property annually to the application to show compliance with the Statement of Benefits. [IC 6-1.1-12.1-5.1(b) and IC 6-1.1-12.1-5.3(j)]
5. The schedules established under IC 6-1.1-12.1-4(d) for rehabilitated property and under IC 6-1.1-12.1-4.8(1) for vacant buildings apply to any statement of benefits approved on or after July 1, 2000. The schedules effective prior to July 1, 2000, shall continue to apply to a statement of benefits filed before July 1, 2000.

SECTION 1 TAXPAYER INFORMATION					
Name of taxpayer City of Franklin Redevelopment Commission					
Address of taxpayer (number and street, city, state, and ZIP code) 70 E. Monroe St. Franklin, IN 46131					
Name of contact person Krista Linke			Telephone number (317) 346-1250	E-mail address klinke@franklin.in.gov	
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT					
Name of designating body City of Franklin Common Council				Resolution number 17-10	
Location of property 40 Linville Way			County Johnson		DLGF taxing district number
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary)				Estimated start date (month, day, year) October 2017	
				Estimated completion date (month, day, year) May 2018	
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT					
Current number 0	Salaries	Number retained	Salaries	Number additional 0	Salaries
SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT					
NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.			REAL ESTATE IMPROVEMENTS		
			COST		ASSESSED VALUE
			Current values		127,400
			Plus estimated values of proposed project 2,837,000		
			Less values of any property being replaced		
Net estimated values upon completion of project					
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER					
Estimated solid waste converted (pounds) _____			Estimated hazardous waste converted (pounds) _____		
Other benefits					
SECTION 6 TAXPAYER CERTIFICATION					
I hereby certify that the representations in this statement are true.					
Signature of authorized representative Ruth O. Bluchman			Title President	Date signed (month, day, year) 8-4-17	

FOR USE OF THE DESIGNATING BODY

We have reviewed our prior actions relating to the designation of this Economic Revitalization Area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1, provides for the following limitations:

- A. The designated area has been limited to a period of time not to exceed _____ calendar years * (see below). The date this designation expires is _____.
- B. The type of deduction that is allowed in the designated area is limited to:
- | | | |
|--|------------------------------|-----------------------------|
| 1. Redevelopment or rehabilitation of real estate improvements | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. Residentially distressed areas | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. Occupancy of a vacant building | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
- C. The amount of the deduction applicable is limited to \$ _____.
- D. Other limitations or conditions (specify) _____
- E. The deduction is allowed for 10 years* (see below).

We have also reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved (signature and title of authorized member of designating body)

Telephone number

Date signed (month, day, year)

Attested by (signature and title of attester)

Krista Linke

Designated body

Krista Linke Community Dev.

Director

City of Franklin Common Council

* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.12-12.1-4.

- A. For residentially distressed areas, the deduction period may not exceed five (5) years.
- B. For redevelopment and rehabilitation or real estate improvements:
1. If the Economic Revitalization Area was designated prior to July 1, 2000, the deduction period is limited to three (3), six (6), or ten (10) years.
 2. If the Economic Revitalization Area was designated after June 20, 2000, the deduction period may not exceed ten (10) years.
- C. For vacant buildings, the deduction period may not exceed two (2) years.