



# CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

## Memorandum

**To:** City of Franklin Economic Development Commission  
**From:** Dana Monson, Community Development Specialist  
**Date:** March 9, 2021  
**Re:** Case C 2021-13: Nitrex (Res. 11-02)

### Summary:

1. On June 6<sup>th</sup>, 2011, the Franklin Common Council passed Resolution No. 2011-02, a 10-year tax abatement on \$2,913,050 in personal property with a 5% Economic Development Fee for Nitrex, located at 300 Blue Chip Court. In 2013, through Resolution No. 2013-16, the Franklin Common Council amended the personal property tax abatement to \$6,300,000 in personal property and extended the completion date through the end of 2014 for the project.
2. Actual and estimated benefits, as projected for 2020:

	Estimated on SB-1	Actual in 2020	Difference
Employees Retained	25	25	0
Salaries	\$881,567	\$982,280.00	\$100,713.00
New Employees	12	2	10
Salaries	\$341,974	\$78,472.00	\$333,502.00
Total Employees	37	27	10
Total Salaries	\$1,223,541.00	\$1,059,365.00	\$164,176.00
Average Hourly Salaries	\$15.89	\$18.89	\$3.00
Personal Property Improvements	\$6,300,000	\$6,253,343	-\$46,657

3. This company exceeded the total number of employees estimated on their SB-1 Form for the first time in 2014, they had 39 employees. As noted in the cover letter from Nitrex President Chris Morawski, they suffered a decline in job creation during 2015, due to a major downturn in manufacturing. They have cautiously begun to hire employees again in 2016. The average hourly wage for the remaining employees has increased from \$15.79 in 2014 to \$16.70 in 2015. In 2016 the total number of employees was 25. In 2017 Nitrex employed 34 at an average hourly wage of \$17.30, both exceed SB-1 estimates. In 2018 Nitrex employed 36 at an average hourly salary of \$17.12, exceeding SB-1 estimates. In 2019 the company is down 3 from last year with a total of 33. In 2020 the employee count was further reduced to 27, however wages have risen.
4. Their original abatement application indicated that they would not purchase any equipment in 2011 but they purchased \$241,525. They estimated purchasing \$1,499,050 in 2012 but they purchased \$1,120,036. \$1,414,000 was purchased in 2013 for a total of \$2,913,050. Their amended application gave them an additional year to purchase additional equipment. They were successful in purchasing \$3,393,300 of equipment in 2014. They do not plan on purchasing

any additional equipment through this tax abatement. As of 2017 the actual personal property investment is \$6,253,343, which is just under SB-1 estimates.

5. Their personal property tax abatement (Nitrex) is scheduled to expire in tax year 2023 payable 2024. Their final compliance review will take place in 2023.

**Staff Recommendation:** Approval



# NITREX

Nitrex Corporate Office  
201 E Mayflower Ave., N. Las Vegas, NV 89030  
Tel: 702.399.1554 Fax: 702.639.3819

Plant 350 BLUE CHIP COURT, FRANKLIN, IN 46131  
TEL: 317-346-7700 • FAX: 317-346-7704

Monday, February 22, 2021

Ms. Dana Monson  
Community Development Specialist  
Dept. of Planning & Economic Development  
70 E. Monroe Street  
Franklin, IN 46131

Ref.: (1) 2016 Tax Abatement Compliance Packet for Nitrex Inc.  
(2) Resolutions 2011-02, 2011-03 and 2013-16.

Dear Ms. Monson,

Enclosed please find Form CF-1/PP (Compliance with Statement of Benefits) regarding compliance with the personal property tax abatements which were granted to Nitrex Inc. pursuant to our application made in May 2011, and further expanded pursuant to our amended application in May 2013. As can be seen from reviewing the enclosed documents, in the context of the revised application, our company:

- a) having reached the originally planned investment six years ago, subject to the referenced abatement, has had no change within the scope of that project during the past twelve months.
- b) hasn't generated any new job creation in the past twelve months and decreasing its employee count from 33 to 27 individuals, with a corresponding decrease in total payroll.

If you have any questions or concerns regarding this matter, please feel free to contact me at 905.321.036.

Sincerely,



Jason Orosz  
President





# COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51765 (R5 / 1-21)

Prescribed by the Department of Local Government Finance

**PRIVACY NOTICE**  
This form contains confidential  
information pursuant to  
IC 6-1.1-35-9 and IC 6-1.1-12.1-5.6.

**FORM CF-1 / PP**

**January 1, 2021**

- 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 January 1 and May 17, 2021, unless a filing extension under IC 6-1.1-3.7 has been granted. A person who obtains a filing extension must file between January 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 <b>NITREX INC</b>	County <b>JOHNSON</b>	
Address of taxpayer (number and street, city, state, and ZIP code) <b>350 BLUECHIP COURT, FRANKLIN, IN 46131 - MAILING ADDRESS: 201 E MAYFLOWER AVE., N. LAS VEGAS, NV 89030</b>		DLGF taxing district number
Name of contact person <b>ALEXANDRA ILARDO</b>	Telephone number <b>( 702 ) 399.1554</b>	

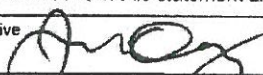
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY		
Name of designating body <b>FRANKLIN CITY COUNCIL</b>	Resolution number <b>2011-02 &amp; 2013-16</b>	Estimated start date (month, day, year) <b>07/01/2011</b>
Location of property <b>PT. OF 2100 - 2100 EARLYWOOD 4199-31-056-024.000-009</b>		Actual start date (month, day, year)
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired.		Estimated completion date (month, day, year) <b>12/31/2014</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		25	27
Salaries		881,567.00	1,059,385.00
Number of employees retained		25	3
Salaries		881,567.00	154,877.00
Number of additional employees		12	21
Salaries		341,974.00	904,488.00

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	1,786,059.00	595,353.00						
Plus: Values of proposed project	6,300,000.00	2,100,000.00						
Less: Values of any property being replaced	3,659.00	1,200.00						
Net values upon completion of project	8,082,400.00	2,694,133.00						
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	1,786,059.00	595,353.00						
Plus: Values of proposed project	8,253,343.00	2,084,448.00						
Less: Values of any property being replaced	98,227.00	32,742.00						
Net values upon completion of project	7,941,175.00	2,647,059.00						

**NOTE:** The **COST** of the property is confidential pursuant to IC 6-1.1-12.1-5.6(c).

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>President</b>	Date signed (month, day, year) <b>2021-02-22</b>