



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

MINUTES

ECONOMIC DEVELOPMENT COMMISSION

March 9, 2021

Members Present:

Jake Sappenfield	President
Josh DeArmitt	Vice President
John Ditmars	Member
Lee Hodgen	Member
Shawn Taylor	Member

Others Present:

Dana Monson	Community Development Specialist
Rob Schafstall	Legal Counsel

Call to Order:

Jake Sappenfield called the meeting to order.

Roll Call & Determination of a Quorum

Approval of Minutes

Lee Hodgen made a motion to approve the February 9th minutes. Josh DeArmitt seconded. Passed unanimously, 5-0.

Old Business

None.

New Business

EDC 2021-05 Essex Furukawa Tax Abatement Application – Dana Monson introduced this seven-year tax abatement request on three million dollars of personal property. It is part of their expansion, moving more in to the wiring for the electrification of vehicles. Their real property was started prior to their abatement application, so it cannot be considered. They currently have 68 employees and their average wage is \$29.84. They will add six new employees with an average wage of \$21.00. They are agreeable to the five percent economic development fee.

Jerry Cano presented an overview of their company.

Mr. Sappenfield asked if the six new hires will be this year and local. Mr. Cano confirmed both to be true. John Ditmars confirmed benefits to be in addition to the \$21.00/hour wage. Mr. Hodgen asked if all new equipment being brought in will be away from the area, and Mr. Cano assured that predominantly to be true.

Mayor Steve Barnett spoke on behalf of the seven-year commitment for personal property as Essex Furukawa didn't know the process and so missed out on the abatement for real property. Mr. Sappenfield identified the tax savings between the two to be approximately \$30,000. Shawn Taylor was in support. Mr. Sappenfield concurred. There was an abatement in 1991 with an ERA. The abatement has expired. The ERA did not have an expiration date. Rob Schafstall advised recreating the ERA. Mr. Ditmars made a motion that findings were met and ERA re-established. Mr. DeArmitt seconded. Passed unanimously, 5-0. Mr. DeArmitt made a motion that findings for the personal property abatement had been met. Mr. Taylor seconded. Passed unanimously, 5-0. Mr. DeArmitt made a motion for a seven-year personal property abatement on three million dollars with five percent economic development fee. Mr. Hodgen seconded. Passed unanimously, 5-0. Ms. Monson gave the upcoming schedule of meetings to see this abatement request through the remaining process.

C 2021-02 B2S Life Sciences – Ms. Monson explained this to be their first year. They have maintained their 29 employees. They are still working to hire their 10 new employees and are currently four short. The specialization and covid has slowed them. Mr. Ditmars made a motion to find them in compliance. Mr. DeArmitt seconded. Passed unanimously, 5-0.

Mr. Ditmars asked about finding in “substantial” compliance and “not in compliance” due to circumstances beyond their control. Mr. Schafstall explained that to find non-compliant triggers a hearing date for them to come in and present explanation. EDC can then choose to find non-compliant due to circumstances beyond their control. Compliance and substantial compliance are the same.

C 2021-03 BP Rex Healthcare Packaging Inc. 10-05 – Final year.

C 2021-04 BP Rex Healthcare Packaging Inc. 19-04 – They are below in investment by \$373,000. Some needed equipment was held up due to factory closings with covid. They are above in employees and wages. Mr. Hodgen moved to find in compliance. Mr. Ditmars seconded. Passed unanimously, 5-0.

C 2021-05 Caterpillar Reman Powertrain Indiana – Last year Caterpillar had a major downturn and restructuring of operations. They began a new product line six months ago. Mr. Ditmars found their misses to be substantial. They are three million dollars under in investment and \$1.7 million under employee promise. Mr. Ditmars recommended they be asked to come in and explain. Mr. Taylor and Mr. DeArmitt concurred. Mr. Taylor made a motion to table this request. Mr. DeArmitt seconded. Passed unanimously, 5-0. Caterpillar will be asked to present at the next meeting.

C 2021-06 City of Franklin – This is for the shell building. Patch Development is purchasing and G & H Wire will be moving in to. As a shell building owned by the city, there were no taxes or employee numbers. The abatement will be passed on to the buyer who will receive the remaining term. Mr. Ditmars made a motion to find in compliance. Mr. Taylor seconded. Passed unanimously, 5-0.

C 2021-08 GDI Holdings – They are beginning construction currently. The abatement begins the first year that the building has received any increase in assessed value. Assessments are done on January 1 each year. Whatever percentage is assessed each year is the beginning of the abatement for that percentage. If there is a delay to construction, the city resolutions and abatements need to take that in to consideration for reapplication or other potential requirements. Mayor Barnett added that they plan on breaking ground anytime and complete by January 2022. Mr. Ditmars made a motion for approval. Mr. Taylor seconded. Passed unanimously, 5-0.

C 2021-09 Blue Chip Enterprises – Blue Chip is the owner of the building and responsible for the real property improvements which they exceeded by \$65,000. They have completed their portion of the

abatement. The employment numbers come from their tenant Nitrex. This is their final year. Mr. Hodgen moved to find in compliance. Mr. DeArmitt seconded. Passed unanimously, 5-0.

C 2021-10 Heartland Machine – Their employee count is above by two, and they are up in both wages and investment. Mr. Ditmars moved to find in compliance. Mr. Taylor seconded. Passed unanimously, 5-0.

C 2021-11 Brookside Chartlife Formerly Hetsco – Through the covid year, they were able to maintain but not achieve growth. They were not able to send their technicians out to work jobsites. Their misses are substantial. They have two more years on their abatement. Mr. Hodgen made a motion to find them in compliance. Mr. Ditmars supports, believing their non-compliance is due to circumstances beyond their control. Mr. Sappenfield would like to stay consistent and leans toward them coming in to have further discussion. Mr. DeArmitt and Mr. Taylor concurred. The real property abatement is for Brookside and the personal property abatement is for Chartlife. Both abatements in one resolution are reporting the same information. They exceeded in personal property and are down \$550,000 in real property. It was 10-year on real property and five-year on personal. Mr. Hodgen withdrew his motion. Mr. Ditmars made a motion to table. Mr. DeArmitt seconded. Passed unanimously, 5-0.

C 2021-12 Innovative 3D – This is the last year for this abatement. It was a start-up company. They have four employees, excellent wages and met their personal property. Mr. Ditmars made a motion to find in compliance. Mr. Taylor seconded. Passed unanimously, 5-0.

C 2021-13 Nitrex – There are two years left on this abatement. They are down by 10 employees due to lack of replacement. Their sales flatlined for 2020, so there was not enough work to replace the 10 employees who left. Their wages are up. Mr. Hodgen moved to find in compliance. Mr. DeArmitt seconded. Passed unanimously, 5-0.

C 2021-18 Overton Tube Forming Systems – They are down by the departure of 15 employees due to lack of work. Their wages are up. They met real property investment numbers. There are two years left on personal property and four years left on real property. Mr. DeArmitt moved to table. Mr. Taylor seconded. Passed unanimously, 5-0.

C 2021-19 Powder Metal Tech – They are down five employees and have not been able to achieve their anticipated growth. When the auto industry shut down this past year, they had virtually no business, so they acknowledge they need to diversify. Mr. Hodgen made a motion to find them in compliance. Mr. Taylor seconded. Passed unanimously, 5-0.

C 2021-20 PCTNA – The company was bought out by a new Japanese firm. They are bringing in a different line to expand their business. They intend to hire this year. They have a number of younger employees needing training who don't stay with the company as long. They dropped from seven to five work days in anticipation of the sale. These details were not communicated in the submitted letter, only verbally to Ms. Monson. Their wages began declining in 2017. Mr. Taylor would like more information. A seven dollar drop in salary without more hires is concerning when receiving an abatement. Other commissioners concurred. Mr. Taylor made a motion to table. Mr. DeArmitt seconded. Passed unanimously, 5-0.

C 2021-22 – Rapid Prototyping 18-01 – Above investment.

C 2021-23 Rapid Prototyping 19-10 – Down by \$33,000 in investment and wages are up. Their employee count is up by one and salaries are up substantially. Mr. Ditmars moved for compliance. Mr. DeArmitt seconded. Passed unanimously, 5-0.

C 2021-25 Shelby Gravel – They have broken ground. Numbers are based on their current status so do not reflect any improvements yet. Mr. DeArmitt moved for compliance. Mr. Taylor seconded. Passed unanimously, 5-0.

C 2021-26 Superior Systems – They are down by one employee and up in wages. They missed real property investments. Two years are left on this abatement. Mr. Ditmars moved for compliance. Mr. Taylor seconded. Passed unanimously, 5-0.

C 2021-27 Sunbeam 17-15 –

C 2021-28 Sunbeam 19-07 –

These are for the same building, the spec portion and the buildout. Sunbeam is the building owner and responsible for the real property, and they have exceeded real property investments. Energizer's report will come before EDC in April. Mr. Hodgen moved for compliance. Mr. Ditmars seconded. Passed unanimously, 5-0.

C 2021-29 Sunbeam 20-10 – They are actively working to bring in a tenant. It has not been assessed yet. Mayor Barnett said there is a prospect. Mr. DeArmitt moved for compliance. Mr. Taylor seconded. Passed unanimously, 5-0.

C 2021-31 MTEA – They are the tenants and this is for personal property only. They have exceeded personal property, employees and wages. Mr. Ditmars moved for compliance. Mr. DeArmitt seconded. Passed unanimously, 5-0.

C 2021-32 MHICC 13-06.13-31 –

C 2021-33 MHICC 13-29 –

Mitsubishi Heavy Industries Climate Control is closing. Mitsubishi Heavy Industries America is coming in along with another Mitsubishi division to join Mitsubishi Turbo Engine already there. Mr. Ditmars moved for compliance. Mr. DeArmitt seconded. Passed unanimously, 5-0.

C 2021-34 Electro-Spec – This is the final year for the abatement. Mr. DeArmitt moved to find in compliance. Mr. Taylor seconded. Passed unanimously, 5-0.

Mr. Sappenfield suggested some site visits. Mr. Ditmars suggested mentoring the businesses for more detail on their applications.

Other Business

Chamber of Commerce's pre-recorded annual meeting is Thursday featuring the State of the City address.

Adjournment

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

Respectfully submitted this 13th day of April, 2021.

Jake Sappenfield, President

Shawn Taylor, Secretary