



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Memorandum

To: City of Franklin Economic Development Commission

From: Dana Monson, Community Development Specialist

Date: March 8, 2022

Re: Case C 2022-29: OrthoAmerica 21-36

Summary:

1. On November 15th 2021, the Franklin Common Council passed Resolution No. 2021-36, approving a 7-year tax abatement with a 5% economic development fee on personal property for OrthoAmerica, located at 2165 Earlywood Drive.
2. Actual and estimated benefits, as projected for 2021:

	Estimated on SB-1	Actual in 2021	Difference
Employees Retained	0	0	0
Salaries	\$0	\$0	\$0
New Employees	100	27	-73
Salaries	\$5,200,000	\$1,332,203	-\$3,867,797
Total Employees	100	27	-73
Total Salaries	\$5,200,000	\$1,332,203	-\$3,867,797
Average Hourly Salaries	\$25.00/hr	\$23.72	\$1.28
Personal Property Improvements	\$3,725,000	\$1,309,300	-\$2,415,700

3. The company has hired 27 so far and continue to actively hire. The wages are as estimated and will plan to rise with the market.
4. Personal property investments have just begun with the company on track to complete final purchases as the building is renovated. The company is on schedule to complete the additions by 2025.
5. The tax abatement is scheduled to expire in tax year 2029 payable 2030. The final compliance review will take place in 2029.

Staff Recommendation: Approval

**COMPLIANCE WITH STATEMENT OF BENEFITS
PERSONAL PROPERTY**

State Form 51765 (R4 / 11-16)

Prescribed by the Department of Local Government Finance

FORM CF-1 / PP**PRIVACY NOTICE**
This form contains information
confidential pursuant to
IC 6-1.1-35-9 and IC 6-1.1-12.1-5.6.

- 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 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 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 OrthoAmerica Holdings, LLC	County Johnson
Address of taxpayer (number and street, city, state, and ZIP code) 1064 Greenwood Springs Boulevard, Greenwood, IN 46143	DLGF taxing district number 009
Name of contact person Reid Pittard	Telephone number (765) 404-7652

SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY		
Name of designating body City of Franklin, Common Council	Resolution number 21-36	Estimated start date (month, day, year) January 1, 2022
Location of property 2165 Earlywood Drive, Franklin, IN 46131		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. The company moved equipment worth \$1,060,482 from their Denver location to Franklin. This equipment was appraised and shows the appropriate depreciation value. The company also purchased a mix of manufacturing and IT equipment worth \$433,757.		Estimated completion date (month, day, year) December 31, 2025
		Actual completion date (month, day, year)

SECTION 3 EMPLOYEES AND SALARIES		
EMPLOYEES AND SALARIES	AS ESTIMATED ON SB-1	ACTUAL
Current number of employees	0	27
Salaries	0.00	1,332,203.00
Number of employees retained	0	0
Salaries	0.00	0.00
Number of additional employees	100	27
Salaries	5,200,000.00	1,332,203.00

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								
Plus: Values of proposed project	3,725,000.00						900,000.00	
Less: Values of any property being replaced								
Net values upon completion of project	3,725,000.00						900,000.00	
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project								
Plus: Values of proposed project	1,309,300.00						184,939.00	
Less: Values of any property being replaced								
Net values upon completion of project	1,309,300.00						184,939.00	

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	0.00	0.00
Amount of hazardous waste converted	0.00	0.00
Other benefits:	0.00	0.00

SECTION 6 TAXPAYER CERTIFICATION	
I hereby certify that the representations in this statement are true.	
Signature of authorized representative 	Title CFO
Date signed (month, day, year) 2/24/2022	

Construction & Occupancy Status Report

OrthoAmerica Holdings headquarters is now in 2165 Earlywood Drive, Franklin, IN 46131. Real property improvements described in resolution 2021-34 has begun and will continue in 2022.

Personal Property Listing

Category	Install Date	Amount Paid
Purchases of New Equipment	03/31/21	\$31,304
Purchases of New Equipment	01/22/21	\$27,000
Purchases of New Equipment	01/26/21	\$10,800
Purchases of New Equipment	01/22/21	\$27,000
Purchases of New Equipment	01/22/21	\$27,000
Purchases of New Equipment	01/20/21	\$28,044
Purchases of New Equipment	01/31/21	\$5,616
Purchases of New Equipment	02/01/21	\$17,252
Purchases of New Equipment	03/08/21	\$7,877
Purchases of New Equipment	01/22/21	\$20,887
Purchases of New Equipment	01/22/21	\$10,071
Purchases of New Equipment	01/22/21	\$22,015
Purchases of New Equipment	02/25/21	\$17,874
Purchases of New Equipment	01/29/21	\$4,708
Purchases of New Equipment	02/24/21	\$1,552
Purchases of New Equipment	05/07/21	\$15,792
Purchases of New Equipment	04/26/21	\$35,991
Purchases of New Equipment	02/03/21	\$2,625
Purchases of New Equipment	04/16/21	\$17,809
Purchases of New Equipment	06/17/21	\$5,660
Purchases of New Equipment	07/07/21	\$2,876
Purchases of New Equipment	08/25/21	\$1,157
Purchases of New Equipment	10/04/21	\$11,398
Purchases of New Equipment	11/02/21	\$11,398
New Telecommunications	10/14/21	\$944
Purchases of New Equipment	11/12/21	\$7,154
New Telecommunications	11/18/21	\$347
New Telecommunications	10/28/21	\$3,900
New Telecommunications	12/10/21	\$1,180
Purchases of New Equipment	02/28/21	\$56,525

Moved from Colorado

Category	Install Date	Net Book Value
Computer	10/15/2021	\$1,629
Computer	10/15/2021	\$1,629
Computer	10/15/2021	\$4,857
Computer	10/15/2021	\$1,804
Computer	10/15/2021	\$1,804
Computer	10/15/2021	\$1,804
Computer	10/15/2021	\$29,515
Computer	10/15/2021	\$29,515
Computer	10/15/2021	\$4,526
Computer	10/15/2021	\$7,956
Computer	10/15/2021	\$7,956
Computer	10/15/2021	\$2,296
Computer	10/15/2021	\$55,776
Computer	10/15/2021	\$2,549
Computer	11/15/2021	\$24,955
Shop Equip	12/15/2020	\$8,612
Shop Equip	8/15/2021	\$4,080
Shop Equip	9/15/2021	\$2,700
Shop Equip	9/15/2021	\$9,704
Shop Equip	9/15/2021	\$4,630
Shop Equip	9/15/2021	\$2,130
Shop Equip	9/15/2021	\$2,130
Shop Equip	9/15/2021	\$2,771
Shop Equip	9/15/2021	\$1,292
Shop Equip	11/15/2021	\$16,393
Shop Equip	11/15/2021	\$827,473
Shop Equip	11/15/2021	\$0

Expansion Investment Schedule

OrthoAmerica Holdings, LLC
2165 Earlywood Drive
Franklin, IN 46131

*Attachment to Form CF-1 (Compliance with Statement of Benefits):
Expansion Investment Schedule by Quarter*

Proposed	Actual Amount of Investment as of 12/31/21	Proposed Amount of Total Investment by 12/31/21 (From SB-1)	Actual Amount of Investment Added During Year (by Quarter)				Actual Total Investment as of 12/31/21	Difference Between Amount of Actual and Investment	
			3/31/21	6/30/21	9/30/21	12/31/21		Amount of	Amount of
Buildings and Improvements:	\$0	\$300,000	\$0	\$0	\$0	\$0	\$0		-\$300,000
Machinery and Equipment:	\$1,494,239	\$1,875,000	\$252,740	\$68,668	\$27,502	\$1,145,329	\$1,494,239		-\$380,761
Totals:	\$1,494,239	\$2,175,000	\$252,740	\$68,668	\$27,502	\$1,145,329	\$1,494,239		-\$680,761

Sample Job Creation or Retention Schedule

OrthoAmerica Holdings, LLC
2165 Earlywood Drive
Franklin, IN 46131

*Attachment to Form CF-1 (Compliance with Statement of Benefits):
Job Creation Schedule by Quarter*

Actual Number of Employees as of 12/31/21	Proposed Total Number of Employees by 12/31/21 (From SB-1)	Actual Number of Employees Added During Year (by Quarter)				Actual Total Number of Employees as of 12/31/21	Difference Between Actual and Proposed Number of Employees
		3/31/21	6/30/21	9/30/21	12/31/21		
27	29	0	0	0	27	27	2

Cover Letter

OrthoAmerica Holdings, LLC
2165 Earlywood Drive,
Franklin, IN 46131

February 24, 2021

Mrs. Dana Monson, Community Development Specialist
Dept. of Community Development
70 E. Monroe Street
Franklin, IN 46131

Re: Tax Abatement Compliance for XYZ Corporation

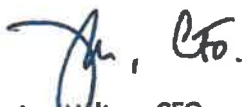
Dear Mrs. Monson:

Enclosed please find Form CF-1 (Compliance with Statement of Benefits) regarding compliance with the real and personal property tax abatements which were granted to OrthoAmerica Holdings, LLC and PRJ Properties under Franklin Common Council Resolution No. 2021-34 and 2021-36.

As can be seen from reviewing the enclosed documents, our company has been highly successful in (1) making capital investments which had been projected for the past year, and (2) starting the process of creating the full complement of jobs which had been proposed in the Statement of Benefits (Form SB-1) which was approved on November 15, 2021.

Please review all of the enclosed documents, and if you have any questions or concerns regarding this matter, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jon Helton", with a stylized flourish at the end.

Jon Helton, CFO
OrthoAmerica Holdings, LLC

Enclosures