



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 202 -33: Premium Composite Technology North America (PCTNA)now UBE

Summary:

1. On April 20th, 2009, the Franklin Common Council passed Resolution No. 2009-02, approving a 10-year tax abatement on real property with a 2% Economic Development Fee and a 10-year tax abatement on personal property with a 5% Economic Development Fee at 2101 Commerce Parkway (formerly Musicland Drive).
2. Actual and estimated benefits, as projected for 2021:

	Estimated on SB-1	Actual in 2021	Difference
Employees	37	28	-9
Salaries	\$2,100,000	\$1,756,105	-\$343,895
Average Hourly Salaries	\$27.29	\$30.15	\$2.86
Real Property Improvements	\$5,350,000	\$5,350,000	\$0
Personal Property Improvements	\$8,630,000	\$14,072,523	\$5,442,523

3. The company indicated they would hire all 37 new employees by the end of 2010. There were 10 employees at the end of 2010, 21 employees by the end of 2011, and 23 employees at the end of 2012. At the end of 2013 they has 45 employees and the average hourly salary was \$7.97 lower than estimated. They explained in 2014 that 18 of the employees are temp to hire in various stages of the hiring process. In 2015, there were 55 employees at an average hourly salary of \$20.94, which is still under SB-1 estimate by \$6.34. In addition to the jobs mentioned above, their parent company has located an additional 4 employees at this location. These 4 employees are not included in the above employment and salary figures. In 2016 there were 55 employees, which exceeds the estimate. They are employed at an average hourly salary of \$23.87 which is less than the SB-1 estimate by \$3.41. In 2017 the number of employees and total salaries exceed the SB-1 estimates, but the hourly wage is \$7.99 less than the estimate. In 2018 the number of employees exceeded the SB-1 estimate, but the hourly salaries were \$6.19 below, which is \$1.80 higher than 2017. In 2019 due to the ending of several programs, PCTNA has reduced working hours from 24/7 to 5 days per week. In 2019 there were 4 lines with only 2 producing material. In 2020 due to Covid and the sale of the company the lines continued to remain with only 2 producing and the staff was reduced to 4 less than anticipated. Wages are also below the stated goal on the SB-1. The company however now has new leadership and the plans are for the new parent company to increase production and add a new line of product which should bring the numbers to the goal of 37 as well as increase wages. In 2021 the

company became fully operational as UBE and began a new line in the facility. While the number of employees is below estimates, wages have risen significantly.

4. The company has met the estimate provided on their SB-1 Form for real property.
5. The company was behind schedule on their personal property investment and requested an extended completion date. In 2013 they exceeded their estimate.
6. The tax abatements for PCTNA are scheduled to expire in tax year 2023 payable 2024. The final compliance review will take place in 2023.

Staff Recommendation: Approval



UBE Engineered Composites, Inc.

2101 Commerce Parkway, Franklin, IN 46131

Ph: 317.346.0011; Fax: 317.346.0012

22 February 2022

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

Dear Ms. Monson:

Enclosed please find Form CF-1 (Compliance with Statement of Benefits) regarding compliance with the personal property tax abatements granted to Premium Composite Technology, North America, Inc. in 2009 under Franklin Common Council resolution 2009-02

Premium Composite Technology North America, Inc. has struggled this year to achieve the goals set in our original proposal. Please see the attached Deficiency Statement.

Our production has reduced 2 lines - 24 hours per day, 5 days per week. Previously we had 4 lines 24 hours per day, 5 days per week.

We continue to work hard to exceed the goals set forth in our Tax Abatement application and request that the City of Franklin look favorably upon our activities and grant us an extension of time to be in full compliance with our tax abatement commitments.

Respectfully

Premium Composite Technology North America, Inc.

A handwritten signature in blue ink that reads "Steven E. Tames". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Steven E. Tames

Managing Director



UBE Engineered Composites, Inc.

2101 Commerce Parkway, Franklin, IN 46131

Ph: 317.346.0011; Fax: 317.346.0012

Deficiency Statement

It has always been the intent of Premium Composite Technology North America, Inc. (PCTNA) to meet or exceed our goals in relation to our Tax Abatement. We have exceeded the investment goals for PCTNA, however due to the impact of COVID-19 we had a reduction in staff by 9 members and fall short of the 37-person target. We currently have 14 open positions that we are working to fill.

In April 2020, Toyota Tsusho Corporation and Toyota Tsusho America, Inc. sold 100% of the shares of PCTNA to Ube Industries, Ltd (UBE). UBE is a Nylon manufacturer and has plans to expand their footprint in the North American market. PCNTA is the first step in expanding into this market. In January 2022, we have officially changed our name to UBE Engineered Composites, Inc.

We have added a new product for UBE that started in October 2020 and will continue to grow this year. We have invested \$1.5 million to modify one of our production lines to fit other new products for UBE. We did not request Tax Abatement for this investment. We are working with customers on the trials from 2019 and 2020 to secure new business as we recover from the COVID-19 Pandemic. As we continue to add new products, our need for additional staff will increase.

It is our desire to request that the city of Franklin look favorably upon our activities and grant us an extension of time to be in full compliance with our tax abatement commitments.



COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51785 (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	County	
Premium Composite Technology North America, Inc.	Johnson	
Address of taxpayer (number and street, city, state, and ZIP code)	DLGF taxing district number	
2101 Commerce Parkway, Franklin, IN 46131	41009	
Name of contact person	Telephone number	
Steven Tames, Managing Director	(317) 346-0011	

SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY		
Name of designating body	Resolution number	Estimated start date (month, day, year)
The City of Franklin Common Council	2009-02	06/01/2009
Location of property	Actual start date (month, day, year)	
Franklin		
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)	
	06/30/2010	
	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	28
Salaries		0.00	1,756,105.00
Number of employees retained		37	28
Salaries		2,100,000.00	1,756,105.00
Number of additional employees		37	0
Salaries		2,100,000.00	0.00

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	8,630,000.00							
Less: Values of any property being replaced	0.00							
Net values upon completion of project	8,630,000.00							
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project								
Plus: Values of proposed project								
Less: Values of any property being replaced								
Net values upon completion of project								

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	Date signed (month, day, year)
<i>Steven ETames</i>	Managing Director	02/22/2022

Attachment to Form CF-1 (Compliance with Statement of Benefits)
 Job Creation Schedule by Quarter
 Calendar Year January 1, 2021 thru December 31, 2021

Actual Number of Employees as of 12-31-2020	Actual Number of Employees Added During Year					Difference Between Actual and Proposed Number of Employees
	Proposed Employee Total by 12-31-2021 (From SB-1)	3/31/2021	6/30/2021	9/30/2021	12/31/2021	
33	37	-3	-1	0	-1	28
						-9