



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 2022-36: Airtomic LLC (Formerly Sargent Aerospace) (2018-11)

Summary:

- On September 17, 2018, the Franklin Common Council passed Resolution No. 2018-11 approving a 10-year tax abatement on real property and a 5-year personal property tax abatement for the property located at 75 Linville Way.
- Actual and estimated benefits, as projected for 2021:

	Estimated on SB-1	Actual in 2021	Difference
Employees Retained	24	24	0
Salaries	\$1,335,360	\$1,683,312	\$374,440
New Employees	13	14	1
Salaries	\$723,320	\$981,932	\$258,612
Total Employees	37	38	1
Total Salaries	\$2,058,680	\$2,665,244	\$606,654
Average Hourly Salaries	\$26.75	\$33.72	\$6.97
Personal Property Improvements	\$525,000	\$610,427	\$85,427
Real Property Improvements	\$2,872,900	\$2,877,715	\$4,815

- The company has exceeded their estimate provided on their SB-1 Form for real and personal property improvements.
- The total number of employees has exceeded their estimate by 10 with salaries coming as projected. 2020 saw a loss of 5 employees due to Covid reductions in sales but a substantial rise in wages. They plan to stabilize in 2021 and increase employment in 2022. In 2021 the company filled all positions and increase by one from the estimates. Wages increased as well.
- The real property tax abatement is scheduled to expire in tax year 2028 payable 2029. The final compliance review will take place in 2029.
- The personal property tax abatement is scheduled to expire in 2023 pay 2024. The final compliance will take place in 2024.

Staff Recommendation: Approval



75 Linville Way
Franklin, Indiana 46131
Phone: 520.744.1000
FAA Cert: OZDR901X

Friday, February 18, 2022

City of Franklin
Attn: Mrs. Dana Monson, Community Development Specialist
70 East Monroe Street
Franklin, IN 46131

Re: Tax Abatement Compliance Packet for Airtomic LLC
Dear Mrs. Monson,

Please find attached Forms CF-1/RE and CF-1/PP (Compliance with Statement of Benefits) regarding compliance with the real property and personal property tax abatements, granted to Airtomic LLC in 2018 under Franklin Common Council Resolution number 2018-11. Airtomic completed all capital investments, May 2019.

Airtomic projected adding 13 additional employees proposed in the statement of benefits (Form SB-1), approved on September 17, 2018. Since the inception of this project, our headcount increased to 51 employees in December 2019 to support our customers, but decreased to 32 employees by June of 2020 due to the global pandemic and the extraordinary reduction in commercial passenger flights beginning in March of 2020.

Airtomic began to recover in 2021, gradually increasing sales and adding engineering, management professionals and highly skilled labor, supporting commercial and military aerospace business. We added 6 additional employees in 2021 and our total number of employees between the period of January 1, 2021 and January 1, 2022 stood at 38. In the same time, we increased our sales by \$2M or 124% in 2021 vs. 2020 and forecasting higher sales by \$1.5M or 114% in 2022 vs. 2021. We plan to add 11 an additional employees throughout 2022 for a 44 employees. We expect our business to return to our previous levels 2023.

We are a proud member of the Franklin community. We appreciate the strong support of the local government. Please review the enclosed documents and if you have any questions or concerns regarding this matter, please feel free to contact me at (502) 876-8292.

Sincerely,

Mike Callaway
General Manager



an RBC Bearings Company
75 Linville Way | Franklin IN 46131
[\(502\) 876-8292](tel:5028768292)
mcallaway@rbcbearings.com



COMPLIANCE WITH STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51766 (R3 / 2-13)

Prescribed by the Department of Local Government Finance

20 21 PAY 20 22

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 AIRTOMIC LLC (SARGENT AEROSPACE & DEFENSE)		County JOHNSON	
Address of taxpayer (number and street, city, state, and ZIP code) 75 LINVILLE WAY, FRANKLIN, IN 46131		DLGF taxing district number 41-08-02-043-005.000-009	
Name of contact person MIKE CALLAWAY		Telephone number (317) 738-0148; 4468	
SECTION 2		LOCATION AND DESCRIPTION OF PROPERTY	
Name of designating body CITY OF FRANKLIN COMMON COUNCIL	Resolution number 2018-11	Estimated start date (month, day, year) 11/01/2018	
Location of property 75 LINVILLE WAY-LINVILLE BUSINESS PARK		Actual start date (month, day, year) 11/01/2019	
Description of real property improvements CONSTRUCTION OF A NEW 30,000 SQ FT MANUFACTURING FACILITY WITH EXPANSION SPACE FOR AN ADDITIONAL 20,000 SQ FT AVAILABLE		Estimated completion date (month, day, year) 05/31/2019	
		Actual completion date (month, day, year) 11/25/2019	
SECTION 3		EMPLOYEES AND SALARIES	
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		24	38
Salaries		26.75	33.72
Number of employees retained		24	38
Salaries		26.75	33.72
Number of additional employees		13	14
Salaries		24.00	33.72
SECTION 4		COST AND VALUES	
COST AND VALUES		REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1	COST	ASSESSED VALUE	
Values before project			
Plus: Values of proposed project	2,872,900.00		
Less: Values of any property being replaced			
Net values upon completion of project	2,872,900.00		
ACTUAL	COST	ASSESSED VALUE	
Values before project			
Plus: Values of proposed project			
Less: Values of any property being replaced			
Net values upon completion of project	2,877,715.00		
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 Mike Callaway		Title GENERAL MANAGER	Date signed (month, day, year) 02/17/22
Digitally signed by Mike Callaway Date: 2022.02.17 21:17:48 -05'00'			



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 AIRTOMIC LLC (SARGENT AEROSPACE & DEFENSE)						County JOHNSON				
Address of taxpayer (number and street, city, state, and ZIP code) 75 LINVILLE WAY, FRANKLIN, IN 46131						DLGF taxing district number 41-08-02-043-005.000-009				
Name of contact person MIKE CALLAWAY						Telephone number (317) 738-0148; 4468				
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY										
Name of designating body CITY OF FRANKLIN COMMON COUNCIL					Resolution number 2018-11		Estimated start date (month, day, year) 11/01/2018			
Location of property 75 LINVILLE WAY-LINVILLE BUSINESS PARK							Actual start date (month, day, year) 11/01/2018			
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired. CONSTRUCTION OF A NEW 30,000 SQ FT MANUFACTURING FACILITY WITH EXPANSION SPACE FOR AN ADDITIONAL 20,000 SQ FT AVAILABLE							Estimated completion date (month, day, year) 05/31/2019			
							Actual completion date (month, day, year) 11/25/2019			
SECTION 3 EMPLOYEES AND SALARIES										
EMPLOYEES AND SALARIES						AS ESTIMATED ON SB-1		ACTUAL		
Current number of employees						24		38		
Salaries						26.75		33.72		
Number of employees retained						24		38		
Salaries						26.75		33.72		
Number of additional employees						13		14		
Salaries						24.00		33.72		
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	3,500,000.00	263,050.00	75,000.00				100,000.00			
Less: Values of any property being replaced										
Net values upon completion of project										
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	4,415,173.00		75,000.00				90,304.00			
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 Mike Callaway				Digitally signed by Mike Callaway Date: 2022.02.17 21:16:09 -05'00'			Title GENERAL MANAGER		Date signed (month, day, year) 02/17/2022	

Airtomic Employment Phasing

Management Professional		Technical Sales	Service	Precision Production	Operators	Total
Est./Act.	Est./Act.	Est./Act.	Est./Act.	Est./Act.	Est./Act.	Est./Act.
0/1	2/0				2/0	4/0
	1/0				1/1	2/2
					6/6	6/6
3/3				1/1	1/1	5/5
3/3		1/1		2/2	2/2	8/8
		2/2		2/2		4/4
4/4	1/1	4/4		28/28	14/14	51/51
4/3	1/1	4/3		28/21	14/12	51/40
4/3	1/1	4/2		28/14	14/11	51/31
4/3	1/1	4/2		28/15	14/11	51/32
4/3	0/0	1/1		16/17	10/10	31/31
4/4	0/0	1/1		17/17	10/10	32/32
4/4	0/0	2/1		18/19	10/10	34/34
4/4	0/1	3/2		19/21	10/10	36/38
4	1	2	21	10	36/38	

Airtomic Investment Timetable

[illegible]