



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 2022-09: Electro-Spec, Inc. (12-07)

Summary:

1. On April 16th, 2012, the Franklin Common Council passed Resolution No. 2012-07, approving a 10-year tax abatement on personal property tax abatement for Electro-Spec located at 1800 Commerce Parkway.
2. Actual and estimated benefits, as projected for 2021:

	Estimated on SB-1	Actual in 2021	Difference
Employees Retained	62	62	0
Salaries	\$2,428,138	\$3,152,131	\$123,993
New Employees	22	0	-22
Salaries	\$600,000	\$0	-\$600,000
Total Employees	84	62	-18
Total Salaries	\$3,028,138	\$3,152,131	\$123,993
Average Hourly Salaries	\$17.33	\$24.44	\$7.11
Personal Property Improvements	\$2,170,000	\$2,244,219	\$74,219

3. The company has exceeded their personal property investment estimated on their SB-1 Form.
4. The company stated they would create 10 jobs in 2012, 5 to 7 jobs in 2013, and 5 to 8 jobs in 2014. They met the number of jobs retained and created as originally estimated in 2013. That number declined by 4 in 2014. The number of jobs in 2015 exceeds their SB-1 estimate by 4. The total employees in 2016 is 4 fewer than estimated on SB-1; however, the average hourly salary exceeds what was estimated. In 2017 the number of employees is 5 short of the estimate, but total salaries and hourly wages well exceed the SB-1 estimate. In 2018 Electro-Spec was down two employees, but exceeded hourly wages by \$6.87 compared to SB-1 estimates. In 2019 they were down by 18, however, their wages are above estimates by \$8.00. In 2020 they are down by 15 but wages are up by \$5.12. Jobs have become more skilled than originally estimated in 2012 and have reduced employees but increased wages. The company is down 22 employees in 2021, however the wages are above by \$7.11 and the company is using more skilled labor, with less unskilled needs.
5. The personal property tax abatement is scheduled to expire in 2023 pay 2024. The final compliance will take place in 2023.

Staff Recommendation: Approval



February 7, 2022

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

RE: Tax Abatement Compliance for Electro-Spec, Inc.

Dear Ms. Monson:

Enclosed please find the CF-1 (Compliance with Statement of Benefits) regarding compliance with personal property tax abatements which were granted to Electro-Spec, Inc. under Franklin Common Council Resolution No. 12-07.

As you can see from reviewing the enclosed documents, our company has been successful in (1) exceeding the initial capital investment set forth in 2012, but fell short on maintaining the number of jobs which had been proposed in the Statement of Benefits (Form SB-1). While falling short by the number of jobs, we actually exceeded the proposed amount of payroll by hiring higher skilled employees for specific engineering and quality roles within the company.

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 'Jeffrey D. Smith', is written over a large, stylized blue circular mark.

Jeffrey D. Smith
President / CEO
(317) 738-9199 ext. 924
jsmith@electro-spec.com

1800 Commerce Parkway
Franklin, IN 46131
(317) 738-9199 phone
(317) 738-9491 fax

Electro-Spec, Inc.
 1800 Commerce Parkway
 Franklin, IN 46131

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

	Proposed Amount of Total Investment by 12/31/2014 (Form SB-1)	Actual Amount of Investment Added During the Year (By Quarter)				Actual Total Investment as of 12/31/21	Sum of Prior Years Investments + Current Year	Difference Between Actual and Proposed Investment
Machinery & Equipment	\$ 2,170,000	\$ 74,854	\$ 34,958	\$ 119,140	\$ 64,306	\$ 293,258	\$ 2,773,459	\$ 603,459
Totals:	\$ 2,170,000							
Resolution Number 12-07								



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 Electro-Spec, Inc.						County Johnson			
Address of taxpayer (number and street, city, state, and ZIP code) 1800 Commerce Parkway Franklin, IN 46131						DLGF taxing district number 41-009			
Name of contact person Jeffrey D Smith						Telephone number (317) 738-9199			
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY									
Name of designating body Franklin City Council					Resolution number 12-07		Estimated start date (month, day, year) 05-01-2012		
Location of property 1800 Commerce Parkway Franklin, IN 46131					Actual start date (month, day, year) 05-01-2012				
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired. New Manufacturing Equipment					Estimated completion date (month, day, year) 12-31-2014				
					Actual completion date (month, day, year) 12-31-2014				
SECTION 3 EMPLOYEES AND SALARIES									
EMPLOYEES AND SALARIES					AS ESTIMATED ON SB-1		ACTUAL		
Current number of employees					62		62		
Salaries					2,428,138.00		3,152,131.00		
Number of employees retained					62		62		
Salaries					2,428,138.00		2,428,138.00		
Number of additional employees					22		0		
Salaries					600,000.00		723,993.00		
SECTION 4 COST AND VALUES									
AS ESTIMATED ON SB-1		MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
		COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project									
Plus: Values of proposed project		2,170,000.00							
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		0.00							
Plus: Values of proposed project		2,773,459.00							
Less: Values of any property being replaced									
Net values upon completion of project		2,773,459.00							
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 President		Date signed (month, day, year) Feb. 7th, 2022		