



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 2022-17: IBC Advanced Alloys 21-02

Summary:

1. On January 26th 2021, the Franklin Common Council passed Resolution No. 2021-02, approving a 10-year tax abatement with a 2% economic development fee on real property for IBC Advanced Alloys, located at 401 Arvin Road.
2. Actual and estimated benefits, as projected for 2021:

	Estimated on SB-1	Actual in 2021	Difference
Employees Retained	35	31	-4
Salaries	\$28.83/hr	\$32.05	\$3.22
New Employees	25	5	-20
Salaries	\$27.19/hr	\$22.75	-\$4.44
Total Employees	55	36	19
Total Salaries	\$27.19/hr	\$30.76	\$3.57
Average Hourly Salaries	\$27.19/hr	\$30.76	\$3.57
Real Property Improvements	\$3,350,000	\$3,411,410	\$61,410

3. The company did create 5 new jobs in 2021, however they lost 4 retained employees through attrition. Wages are up for retained employees, however the new were hired in lower than expected as their skills were lower. Wages will rise as employees are trained. The company intends to replace the 4 as well as hire 5 more new in 2022.
4. Real property improvements are above by \$61,410 from the SB-1 estimate.
5. The tax abatement for IBC Advanced Alloys is scheduled to expire in tax year 2032 payable 2033. The final compliance review will take place in 2032.

Staff Recommendation: Approval



COMPLIANCE WITH STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51786 (R5 / 12-21)

Prescribed by the Department of Local Government Finance

2021 PAY 2022

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 6-1.1-12.1-5.3 (k) and (l).

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 16, 2022, 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 6-1.1-12.1-5.3(j))
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 Nonferrous Products Inc		County Johnson	
Address of taxpayer (number and street, city, state, and ZIP code) 401 Arvin Road		DLGF taxing district number 41-009	
Name of contact person Melanie Todd		Telephone number (317) 739-0413	
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY			
Name of designating body City of Franklin		Resolution number 2021-02	Estimated start date (month, day, year) 02/01/2021
Location of property 401 Arvin Rd, Franklin In. 46131-1549		Actual start date (month, day, year) 03/15/2021	
Description of real property improvements Expansion of current Franklin Indiana facilities. Includes a new 32,000 sq ft copper melting foundry and saw cutting center.		Estimated completion date (month, day, year) 3/31/2024	
		Actual completion date (month, day, year) TBD	
SECTION 3 EMPLOYEES AND SALARIES			
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		35	36
Salaries		\$28.83 / hour	\$30.76
Number of employees retained		35	31
Salaries		28.83 / hour	\$32.05
Number of additional employees		25	5
Salaries		\$27.19 / hour	\$22.75
SECTION 4 COST AND VALUES			
COST AND VALUES		REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1		COST	ASSESSED VALUE
Values before project		\$2,198,771	\$873,300
Plus: Values of proposed project		\$3,350,000	\$3,350,000
Less: Values of any property being replaced		\$0	\$0
Net values upon completion of project		\$5,548,771	\$4,223,300
ACTUAL		COST	ASSESSED VALUE
Values before project		\$2,198,771	\$873,300
Plus: Values of proposed project		\$3,411,410	\$3,411,410
Less: Values of any property being replaced		\$0	\$0
Net values upon completion of project		\$5,610,181	\$4,284,710
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 LBS	0 LBS
Amount of hazardous waste converted		0 LBS	0 LBS
Other benefits:		0 LBS	0 LBS
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

IBC Advanced Alloys
2021 Employees and Wages by Quarter

2021 Franklin Expansion - Employee Count / Wages

Employee's / Wages by Quarter - 2021					
End of Quarter	Q4 2020	Q1	Q2	Q3	Q4
Current Facility Employees - 2021 (Without Expansion)					
Employee Count	35	35	34	34	31
Avg Wage	\$28.83	\$30.74	\$30.93	\$31.05	\$32.05
Expansion Employees Added - 2021					
Employee Count	0	0	1	3	5
Avg Wage	\$0.00	\$0.00	\$20.00	\$23.75	\$22.75
Total Employees - 2021					
Employee Count	35	35	35	37	36
Avg Wage	\$28.83	\$30.74	\$30.62	\$30.46	\$30.76

Non-Ferrous Products Inc
(IBC Advanced Alloys)
401 Arvin Drive
Franklin, In 46131-1549

February 24, 2022

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

Re: Tax Abatement Compliance for Non-Ferrous Products Inc

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 Non-Ferrous Products Inc in 2021 under Franklin Common Council Resolution No. 00-05.

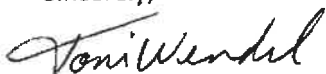
As can be seen from reviewing the enclosed documents, our company has been highly successful in (1) making the capital investments which had been projected for the past year, and (2) creating the full complement of added jobs which had been proposed in the Statement of Benefits (Form SB-1) which was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

Per our plan of increasing a total of 25 employees over the 5 years, at a rate of 5 per year, we have created 5 additional jobs for the expanded business over the last year. These positions are directly correlated to the expansion and would not have been required without the new facility. The actual hourly rate of new hires was \$4.44 below our forecasted rate of \$27.19. This was due to 3 of the 5 new hires having very limited or no experience and were brought in at a lower starting wage. The new hire wages are expected to increase with the increase of skill and experience. Future years hiring is anticipated as forecasted, allowing for available labor.

Due to the pandemic and current economic conditions we have had attrition of 5 retained employees in 2021. We were planning on retaining these employees thru the business expansion. 1 of these positions was filled, for a net loss of 4 retained employees in 2021. Since the beginning of 2022 we have hired 2 additional employees and are currently working to replace the others as soon as labor market permits.

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

Sincerely,



Toni Wendel, CFO
Non-Ferrous Products Inc
Enclosures