



# 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 2022-18: IBC Advanced Alloys 21-05

### Summary:

1. On January 26<sup>th</sup> 2021, the Franklin Common Council passed Resolution No. 2021-05, approving a 7-year tax abatement with a 5% economic development fee on personal property for IBC Advanced Alloys, located at 400 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
Personal Property Improvements	\$5,822,081	\$5,392,120	-\$429,961

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. Personal property improvements are below by \$429,961 from the SB-1 estimate. However, the company still intends to complete the full investment as labor is retained.
5. The tax abatement for IBC Advanced Alloys is scheduled to expire in tax year 2029 payable 2030. The final compliance review will take place in 2029.

**Staff Recommendation:** Approval

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



# COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51785 (R6 / 12-21)

Prescribed by the Department of Local Government Finance

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

**FORM CF-1 / PP**

**January 1, 2022**

- 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 16, 2022, 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	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	2021-05
Location of property	401 Arvin Rd, Franklin In. 46131-1549	Estimated start date (month, day, year)	02/01/2021
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired	Expansion of current Franklin Indiana facilities to include upgrading of 3 copper foundry furnaces, a new furnace power supply and a new coolant system in a 32,000 foot new facility.	Actual start date (month, day, year)	03/15/2021
		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							
	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	\$4,497,081	\$1,321,570	\$0	\$0	\$9,000	\$0	\$0	\$0	
Plus: Values of proposed project	\$1,325,000	\$1,325,000	\$0	\$0	\$0	\$0	\$485,000	\$485,000	
Less: Values of any property being replaced	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Net values upon completion of project	\$5,822,081	\$2,646,570	\$0	\$0	\$9,000	\$0	\$485,000	\$485,000	
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	
Values before project	\$4,497,081	\$1,321,570	\$0	\$0	\$9,000	\$0	\$0	\$0	
Plus: Values of proposed project	\$895,039	\$895,039	\$0	\$0	\$0	\$0	\$435,229	\$435,229	
Less: Values of any property being replaced	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Net values upon completion of project	\$5,392,120	\$2,216,609	\$0	\$0	\$9,000	\$0	\$435,229	\$435,229	

**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 Lbs	0 Lbs	
Amount of hazardous waste converted	0 Lbs	0 Lbs	
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>Toni Miller</i>	CFO	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
<b>Current Facility Employees - 2021 (Without Expansion)</b>					
Employee Count	35	35	34	34	31
Avg Wage	\$28.83	\$30.74	\$30.93	\$31.05	\$32.05
<b>Expansion Employees Added - 2021</b>					
Employee Count	0	0	1	3	5
Avg Wage	\$0.00	\$0.00	\$20.00	\$23.75	\$22.75
<b>Total Employees - 2021</b>					
Employee Count	35	35	35	37	36
Avg Wage	\$28.83	\$30.74	\$30.62	\$30.46	\$30.76