



# CITY OF FRANKLIN

Community Development Department

## Memorandum

**To:** City of Franklin Economic Development Commission

**From:** Dana Monson, Community Development Specialist

**Date:** April 9, 2024

**Re:** Case C 2024-35: OrthoAmerica 21-36

### Summary:

1. On November 15<sup>th</sup>, 2021, the Franklin Common Council passed Resolution No. 2021-36, approving a 7-year tax abatement with a 5% economic development fee on personal property for OrthoAmerica, located at 2165 Earlywood Drive.
2. Actual and estimated benefits, as projected for 2023:

	Estimated on SB-1	Actual in 2024	Difference
Employees Retained	0	0	0
Salaries	\$0	\$0	\$0
New Employees	100	82	-18
Salaries	\$5,200,000	\$3,864,304	-\$1,335,696
Total Employees	100	82	-18
Total Salaries	\$5,200,000	\$3,864,304	-\$1,335,696
Average Hourly Salaries	\$25.00	\$22.66	-\$2.34
Personal Property Improvements	\$3,725,000	\$1,907,765	-\$1,817,235

3. The company has hired 69 so far and continues to actively hire. The wages are as estimated and will plan to rise with the market. In 2023 they are up to 82 employees and wages are rising.
4. Personal property investments have just begun with the company on track to complete final purchases as the building is renovated. The company is on schedule to complete the additions by 2025. In 2023 the investments increased In 2023 the company continued to invest and still is confident the full personal property investment will be made by the deadline.
5. The tax abatement is scheduled to expire in tax year 2029 payable in 2030. The final compliance review will take place in 2029.

**Staff Recommendation:** Approval

**Cover Letter**

OrthoAmerica Holdings, LLC  
2165 Earlywood Drive,  
Franklin, IN 46131

February 2024

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

Re: Tax Abatement Compliance for OrthoAmerica Holdings, LLC

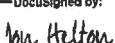
Dear Mrs. Monson:

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 OrthoAmerica Holdings, LLC and PRJ Properties under Franklin Common Council Resolution No. 2021-34 and 2021-36.

As can be seen from reviewing the enclosed documents, our company has been highly successful in (1) making personal property capital investments and (2) starting the process of creating the full complement of jobs which had been proposed in the Statement of Benefits (Form SB-1) and was approved on November 15, 2021. The real property investments have been delayed due to supply chain issues. The projections for these investments should be fulfilled over the next couple of years.

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,

DocuSigned by:  
  
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Jon Helton, CFO  
OrthoAmerica Holdings, LLC

Enclosures



# 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 <b>OrthoAmerica Holdings, LLC</b>						County <b>Johnson</b>			
Address of taxpayer (number and street, city, state, and ZIP code) <b>1064 Greenwood Springs Boulevard, Greenwood, IN 46143</b>						DLGF taxing district number <b>009</b>			
Name of contact person <b>Reid Pittard</b>						Telephone number <b>( 765 ) 404-7652</b>			
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY									
Name of designating body <b>City of Franklin, Common Council</b>					Resolution number <b>21-36</b>		Estimated start date (month, day, year) <b>January 1, 2022</b>		
Location of property <b>2165 Earlywood Drive, Franklin, IN 46131</b>						Actual start date (month, day, year)			
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) <b>December 31, 2025</b>			
						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		82	
Salaries						0.00		3,864,304.88	
Number of employees retained						0		0	
Salaries						0.00		0.00	
Number of additional employees						100		82	
Salaries						5,200,000.00		3,864,304.88	
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		3,725,000.00						900,000.00	
Less: Values of any property being replaced									
Net values upon completion of project		3,725,000.00						900,000.00	
ACTUAL		COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project									
Plus: Values of proposed project		1,907,765.88						473,382.18	
Less: Values of any property being replaced									
Net values upon completion of project		1,907,765.88						473,382.18	
<b>NOTE:</b> The <b>COST</b> 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						0.00		0.00	
Amount of hazardous waste converted						0.00		0.00	
Other benefits:						0.00		0.00	
SECTION 6 TAXPAYER CERTIFICATION									
I hereby certify that the representations in this statement are true.									
Signature of authorized representative  <div style="border: 1px solid black; padding: 2px; display: inline-block;">   <small>E228FE3A57B545F...</small> </div>				Title  <b>CFO</b>		Date signed (month, day, year) <b>3/18/2024</b>			

**OPTIONAL: FOR USE BY A DESIGNATING BODY WHO ELECTS TO REVIEW THE COMPLIANCE WITH STATEMENT OF BENEFITS (FORM CF-1)  
THAT WAS APPROVED AFTER JUNE 30, 1991.**

**INSTRUCTIONS: (IC 6-1.1-12.1-5.9)**

1. This page does not apply to a Statement of Benefits filed before July 1, 1991; that deduction may not be terminated for a failure to comply with the Statement of Benefits.
2. Within forty-five (45) days after receipt of this form, the designating body may determine whether or not the property owner has substantially complied with the Statement of Benefits.
3. If the property owner is found **NOT** to be in substantial compliance, the designating body shall send the property owner written notice. The notice must include the reasons for the determination and the date, time and place of a hearing to be conducted by the designating body. If a notice is mailed to a property owner, a copy of the written notice will be sent to the County Assessor and the County Auditor.
4. Based on the information presented at the hearing, the designating body shall determine whether or not the property owner has made reasonable effort to substantially comply with the Statement of Benefits and whether any failure to substantially comply was caused by factors beyond the control of the property owner.
5. If the designating body determines that the property owner has **NOT** made reasonable effort to comply, then the designating body shall adopt a resolution terminating the deduction. The designating body shall immediately mail a certified copy of the resolution to: (1) the property owner; (2) the County Auditor; and (3) the County Assessor.

We have reviewed the CF-1 and find that:

- ☐ the property owner **IS** in substantial compliance
- ☐ the property owner **IS NOT** in substantial compliance
- ☐ other (specify) \_\_\_\_\_

Reasons for the determination (attach additional sheets if necessary)

Signature of authorized member

Date signed (month, day, year)

Attested by:

Designating body

If the property owner is found not to be in substantial compliance, the property owner shall receive the opportunity for a hearing. The following date and time has been set aside for the purpose of considering compliance.

Time of hearing

- ☐ AM  
☐ PM

Date of hearing (month, day, year)

Location of hearing

**HEARING RESULTS (to be completed after the hearing)**

☐ Approved

☐ Denied (see instruction 5 above)

Reasons for the determination (attach additional sheets if necessary)

Signature of authorized member

Date signed (month, day, year)

Attested by:

Designating body

**APPEAL RIGHTS [IC 6-1.1-12.1-5.9(e)]**

A property owner whose deduction is denied by the designating body may appeal the designating body's decision by filing a complaint in the office of the clerk of Circuit or Superior Court together with a bond conditioned to pay the costs of the appeal if the appeal is determined against the property owner.

March 2024

Mrs. Dana Monson,

Due to unforeseen circumstances, OrthoAmerica Holdings LLC has encountered challenges in completing its project at 2165 Earlywood Drive, Franklin, IN 46131, and is seeking an extension to the project timeline. Initially, the company had outlined plans to erect a new building valued at \$1.8 million on their premises, acquire equipment totaling \$4.625 million, and employ 100 full-time personnel at the project site.

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As of now, OrthoAmerica has invested nearly \$2.5 million in new equipment and has hired 80 new full-time employees. However, construction of the new building has not commenced because the company had intended to execute two asset acquisitions that would have stimulated enough growth and therefore justified the need for additional square footage. Although these acquisition(s) remain possible, the company is also contemplating proceeding with through organic growth. If this becomes the chosen path, there would be a modification in the project's scope, with the building costing approximately \$500,000 instead of the initially budgeted \$1.8 million.

OrthoAmerica still intends to carry out the additional hires and invest in the equipment as originally projected. However, the revised expected completion date for the project is now 12/31/2025. OrthoAmerica Holdings expresses gratitude to the council for its understanding and consideration in this matter.

Regards,

**Construction & Occupancy Status Report**

OrthoAmerica Holdings headquarters is now in 2165 Earlywood Drive, Franklin, IN 46131. Real property improvements described in resolution 2021-34 has begun and will continue in 2024.

**Personal Property Listing**

<b>Category</b>	<b>Install Date</b>	<b>Amount Paid</b>
Purchases of New Equipment	03/31/21	\$31,304
Purchases of New Equipment	01/22/21	\$27,000
Purchases of New Equipment	01/26/21	\$10,800
Purchases of New Equipment	01/22/21	\$27,000
Purchases of New Equipment	01/22/21	\$27,000
Purchases of New Equipment	01/20/21	\$28,044
Purchases of New Equipment	01/31/21	\$5,616
Purchases of New Equipment	02/01/21	\$17,252
Purchases of New Equipment	03/08/21	\$7,877
Purchases of New Equipment	01/22/21	\$20,887
Purchases of New Equipment	01/22/21	\$10,071
Purchases of New Equipment	01/22/21	\$22,015
Purchases of New Equipment	02/25/21	\$17,874
Purchases of New Equipment	01/29/21	\$4,708
Purchases of New Equipment	02/24/21	\$1,552
Purchases of New Equipment	05/07/21	\$15,792
Purchases of New Equipment	04/26/21	\$35,991
Purchases of New Equipment	02/03/21	\$2,625
Purchases of New Equipment	04/16/21	\$17,809
Purchases of New Equipment	06/17/21	\$5,660
Purchases of New Equipment	07/07/21	\$2,876
Purchases of New Equipment	08/25/21	\$1,157
Purchases of New Equipment	10/04/21	\$11,398
Purchases of New Equipment	11/02/21	\$11,398
New Telecommunications	10/14/21	\$944
Purchases of New Equipment	11/12/21	\$7,154
New Telecommunications	11/18/21	\$347
New Telecommunications	10/28/21	\$3,900
New Telecommunications	12/10/21	\$1,180
Purchases of New Equipment	02/28/21	\$56,525

Moved from Colorado		
Category	Install Date	Net Book Value
Computer	10/15/2021	\$1,629
Computer	10/15/2021	\$1,629
Computer	10/15/2021	\$4,857
Computer	10/15/2021	\$1,804
Computer	10/15/2021	\$1,804
Computer	10/15/2021	\$1,804
Computer	10/15/2021	\$29,515
Computer	10/15/2021	\$29,515
Computer	10/15/2021	\$4,526
Computer	10/15/2021	\$7,956
Computer	10/15/2021	\$7,956
Computer	10/15/2021	\$2,296
Computer	10/15/2021	\$55,776
Computer	10/15/2021	\$2,549
Computer	11/15/2021	\$24,955
Shop Equip	12/15/2020	\$8,612
Shop Equip	8/15/2021	\$4,080
Shop Equip	9/15/2021	\$2,700
Shop Equip	9/15/2021	\$9,704
Shop Equip	9/15/2021	\$4,630
Shop Equip	9/15/2021	\$2,130
Shop Equip	9/15/2021	\$2,130
Shop Equip	9/15/2021	\$2,771
Shop Equip	9/15/2021	\$1,292
Shop Equip	11/15/2021	\$16,393
Shop Equip	11/15/2021	\$827,473
Shop Equip	11/15/2021	\$0
Building	03/15/2022	\$2,465.20
Building	03/15/2022	\$16,169.38
Building	04/15/2022	\$7,841.95
Building	04/15/2022	\$19,980.00
Building	07/15/2022	\$2,717.79
Shop Equip	01/15/2022	\$1,623.00
Shop Equip	01/15/2022	\$956.50
Computers	2/1/2022	\$10,015.20
Shop Equip	02/14/2022	\$3,880.00
Computers	3/1/2022	\$1,831.22
Computers	3/1/2022	\$2,649.68
Computers	3/1/2022	\$3,646.08

Computer	03/15/2022	\$4,124.85
Shop Equip	03/15/2022	\$1,071.79
Shop Equip	03/15/2022	\$7,837.75
Shop Equip	03/15/2022	\$448.33
Shop Equip	03/15/2022	\$448.33
Shop Equip	03/15/2022	\$448.33
Shop Equip	03/15/2022	\$448.33
Computers	4/1/2022	\$1,603.93
Computers	4/1/2022	\$636.65
Shop Equip	04/15/2022	\$4,223.34
Computers	5/1/2022	\$3,790.75
Computers	5/1/2022	\$1,799.00
Computer	05/15/2022	\$4,444.64
Computer	05/15/2022	\$1,108.12
Computers	6/1/2022	\$925.92
Computers	6/1/2022	\$1,568.83
Computer	06/15/2022	\$147,911.88
Shop Equip	06/15/2022	\$3,981.11
Computers	7/1/2022	\$6,753.84
Shop Equip	7/1/2022	\$10,437.50
Shop Equip	7/1/2022	\$9,650.50
Computer	07/15/2022	\$3,482.79
Computer	7/15/2022	\$1,859.93
Shop Equip	07/15/2022	\$544.63
Shop Equip	07/15/2022	\$856.50
Shop Equip	07/15/2022	\$668.75
Shop Equip	07/15/2022	\$1,380.49
Shop Equip	08/15/2022	\$716.89
Computers	10/1/2022	\$3,100.00
Computers	11/1/2022	\$4,600.00
Computer	11/15/2022	\$2,721.81
Shop Equip	12/15/2022	\$24,063.00
Fixed Asset Software	1/1/2023	7,025.00
Fixed Asset Software	2/1/2023	5,850.00
Fixed Asset Software	3/1/2023	8,400.00
Fixed Asset Computers	3/31/2023	3,955.33
Fixed Asset Computers	5/1/2023	1,291.49
Fixed Asset Computers	5/1/2023	3,602.95
Fixed Asset Software	5/1/2023	1,816.86
Fixed Asset Software	5/1/2023	5,250.00
Fixed Asset - Machinery & Equipment	6/1/2023	7,795.00
Fixed Asset Software	6/1/2023	6,550.00



Fixed Asset Software	6/1/2023	1,514.55
Fixed Asset Software	6/1/2023	3,937.50
Fixed Asset Computers	7/1/2023	1,376.02
Fixed Asset Software	7/1/2023	5,187.50
Fixed Asset Software	8/1/2023	5,812.50
Fixed Asset Computers	9/1/2023	1,907.85
Fixed Asset Software	9/1/2023	3,625.00
Fixed Asset - Machinery & Equipment	10/1/2023	12,500.00
Fixed Asset - Machinery & Equipment	10/1/2023	20,181.00
Fixed Asset Computers	11/1/2023	820.45
Fixed Asset Computers	11/1/2023	4,588.15
Fixed Asset Software	11/1/2023	4,000.00
Fixed Asset Computers	12/1/2023	878.71
Fixed Asset Computers	12/1/2023	1347.01
Fixed Asset Software	12/1/2023	17,750.00
Computer	02/14/2023	\$610.45
Computer	02/14/2023	\$610.44
Computer	02/14/2023	\$2,381.75
Furniture	02/14/2023	\$924.20
Shop Equip	03/15/2023	\$953.76
Computer	04/15/2023	\$570.55
Shop Equip	06/15/2023	\$176,890.00
Computer	07/15/2023	\$1,859.93
Computer	07/15/2023	\$1,955.96
Computer	07/15/2023	\$9,640.70
Shop Equip	07/15/2023	\$3,360.00
Furniture	08/15/2023	\$1,213.99
Furniture	08/15/2023	\$8,046.50
Shop Equip	08/15/2023	\$12,175.00
Computer	09/15/2023	\$3,557.75
Shop Equip	09/15/2023	\$13,440.00
Computer	10/15/2023	\$1,232.75
Computer	10/15/2023	\$1,224.20
Shop Equip	11/15/2023	\$10,080.00
Shop Equip	11/15/2023	\$712.40
Shop Equip	11/15/2023	\$712.40
Building Upgrades, roof insulation, structure, electrical	11/1/2023	\$63,220

**Expansion Investment Schedule**

OrthoAmerica Holdings, LLC  
2165 Earlywood Drive  
Franklin, IN 46131

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

	Actual Amount of Investment as of 12/31/21	Proposed Amount of Total Investment by 12/31/21 (From SB-1)	Actual Amount of Investment Added During Year (by Quarter)				Actual Total Amount of Investment as of 12/31/23	Difference Between Actual and Proposed Amount of Investment
			3/31/23	6/30/23	9/30/23	12/31/23		
<b>Buildings and Improvements:</b>	\$112,394.32	\$1,800,000	\$-	\$112,394.32	\$-	\$-	\$-	\$1,687,605.68
<b>Machinery and Equipment:</b>	\$2,381,147.86	\$3,725,000	\$30,710.93	\$209,218.90	\$73,158.70	\$76,027.07	\$389,115.60	\$1,343,852.14

**Totals:**

**Sample Job Creation or Retention Schedule**

OrthoAmerica Holdings, LLC  
2165 Earlywood Drive  
Franklin, IN 46131

*Attachment to Form CF-1 (Compliance with Statement of Benefits):  
Job Creation Schedule by Quarter*

Actual Number of Employees as of 12/31/21	Proposed Total Number of Employees by 12/31/22 (From SB-1)	Actual Number of Employees Added During Year (by Quarter)				Actual Total Number of Employees as of 12/31/23	Difference Between Actual and Proposed Number of Employees
		3/31/23	6/30/23	9/30/23	12/31/23		
27	53	5	8	18	12	82	+29