

CITY OF FRANKLIN, INDIANA

RESOLUTION NUMBER 2024-02

**A RESOLUTION GRANTING TAX ABATEMENT
FOR MALARKEY ROOFING**

WHEREAS, the Indiana General Assembly has enacted a statute, IC 6-1.1-12.1 (the “Act”) authorizing certain tax deductions of property taxes (as defined in the Act) attributable to redevelopment or rehabilitation activities in economic development areas; and

WHEREAS, Malarkey Roofing (the “Applicant”) has submitted a Statement of Benefits and made application for Personal Property Tax Abatement pursuant to the Act; and

WHEREAS, the Franklin Economic Development Commission has on May 14, 2024, held a public meeting and considered the tax abatement request of Malarkey (Paul Hand Road) in a manner consistent with the applicable section of the Indiana Code and;

WHEREAS, the Franklin Economic Development Commission has reviewed the findings required by IC 6-1.1-12.1-4.5 and recommends that Malarkey Roofing receive a ten (10) year tax abatement **with a 5% Economic Development Fee**, on personal property for the real estate described as “Exhibit A” and described in the tax abatement request and ;

WHEREAS, a copy of the Statement of Benefits recommended for approval by the Franklin Economic Development Commission is attached hereto as “Exhibit B;”

WHEREAS, the said real estate as described in “Exhibit A” is located in an existing Economic Revitalization Area as approved by the City of Franklin Common Council with City Council Resolution Number 2022-05 and;

WHEREAS, the Common Council has received and reviewed “Exhibit B” with all attachments, and that such attachments are made a part hereof and incorporated herein, all which together contain the necessary statements of benefits and description of the project, along with the recommendation of the Economic Development Commission for tax abatement for personal property; and

WHEREAS, the Common Council has given careful consideration to the materials submitted and affirms the findings of the Franklin Economic Development Commission relative to the requirements of IC 6-1.1-12.1-3 and IC 6-1.1-12.1-4.5, and specifically including the following findings as to personal property:

- 1) The estimate of the cost of new equipment is reasonable for equipment of that type;
- 2) The estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new manufacturing equipment;
- 3) The estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new equipment;

- 4) Other benefits about which information was requested are benefits that can be reasonably expected to result from the installation of the new equipment;
- 5) The totality of the benefits to the company and the city is sufficient to justify the tax abatement.

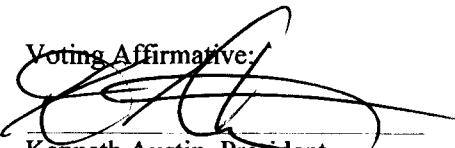
NOW THEREFORE BE IT RESOLVED THAT:

- 1) The abatement of personal property tax shall extend for a period of 10 years pursuant to the deduction schedule set forth in Exhibit C.
- 2) That the "Applicant" shall pay a 5% economic development fee on personal property for the real estate described in "Exhibit A" and described in the tax abatement request.
- 3) Malarkey Roofing shall be required to provide the City of Franklin with information showing the extent to which there has been compliance with the statement of benefits submitted in their request for tax abatement within sixty (60) days after the end of each year in which the deduction is applicable, as required by IC 6-1.1-12.1-5.1.
- 4) A copy of this resolution and a description of the affected area will be available and can be inspected in the office of the Johnson County Assessor and the City Clerk/Treasurer.

APPROVED by the Common Council of the City of Franklin, Johnson County, Indiana, this 20th day of May 2024.


City of Franklin, Indiana, By its Common Council:

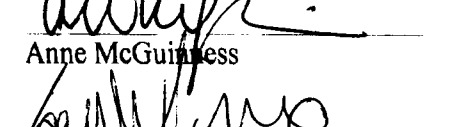
Voting Affirmative:

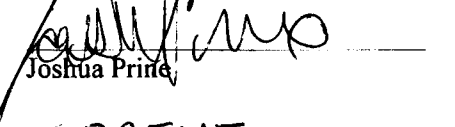

Kenneth Austin, President


Jennifer Price


Irene Nally


Todd Shuck


Anne McGuinness


Joshua Prine

ABSENT
Shawn Taylor

Voting Opposed:

Kenneth Austin, President

Jennifer Price

Irene Nally

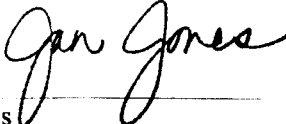
Todd Shuck

Anne McGuinness

Joshua Prine

Shawn Taylor

Attest:




Jan Jones
City Clerk-Treasurer

Presented by me to the Mayor of the City of Franklin for his approval or veto pursuant to Indiana Code § 36-4-6-15, 16, this 20 day of may, 2024 at 6:20 o'clock a.m./p.m.



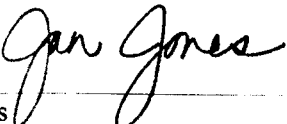
Jan Jones
City Clerk-Treasurer

This resolution having been passed by the legislative body and presented to me [Approved by me and duly adopted, pursuant to Indiana Code § 36-4-6-16(a)(1)] [Vetoed, pursuant to Indiana Code § 36-4-6-16(a)(2)], this 20 day of may, 2024 at 6:20 o'clock a.m./p.m.



Stephen Barnett
Mayor

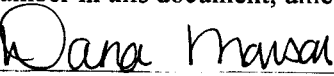
Attest:



Jan Jones
City Clerk-Treasurer

Prepared by: Dana Monson, Community Development Specialist

"I affirm, under the penalties for perjury, that I have taken reasonable care to redact each social security number in this document, unless required by law."



Dana Monson
Community Development Specialist

Exhibit A

Legal Description

41-05-34-041-001.000-064

A PART OF THE EAST HALF OF SECTION 34, IN TOWNSHIP 13 NORTH, IN RANGE 4 EAST. COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION; THENCE WEST ON THE NORTH LINE THEREOF, 143 RODS AND 3 LINKS TO THE CENTER OF THE TRACT OF THE PITTSBURGH, CINCINNATI, CHICAGO, & ST. LOUIS RAILWAY COMPANY, FORMERLY JEFFERSONVILLE, MADISON AND INDIANAPOLIS RAILROAD COMPANY, NEE MADISON AND INDIANAPOLIS RAILROAD COMPANY; THENCE SOUTHEASTWARDLY ALONG THE CENTER OF SAID RAILROAD TRACT TO THE SOUTH LINE OF SAID SECTION; THENCE EAST ON SAID SOUTH LINE, 48 RODS AND 13 LINKS, TO THE SOUTHEAST CORNER

OF SAID SECTION; THENCE NORTH ON THE EAST LINE THEREOF, TO THE PLACE OF BEGINNING, EXCEPTING THEREFROM 45 ACRES OFF OF THE SOUTH END OF SAID TRACT, AND CONTAINING IN THE PART HEREIN CONVEYED 151 ACRES, MORE OR LESS.



STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51764 (R5 / 1-21)

Prescribed by the Department of Local Government Finance

FORM SB-1 / PP

PRIVACY NOTICE

Any information concerning the cost of the property and specific salaries paid to individual employees by the property owner is confidential per IC 6-1.1-12.1-5.1.

INSTRUCTIONS:

1. This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body **BEFORE** a person installs the new manufacturing equipment and/or research and development equipment, and/or logistical distribution equipment and/or information technology equipment for which the person wishes to claim a deduction.
2. The statement of benefits form must be submitted to the designating body and the area designated an economic revitalization area before the installation of qualifying abatable equipment for which the person desires to claim a deduction.
3. To obtain a deduction, a person must file a certified deduction schedule with the person's personal property return on a certified deduction schedule (Form 103-ERA) with the township assessor of the township where the property is situated or with the county assessor if there is no township assessor for the township. The 103-ERA must be filed between January 1 and May 15 of the assessment year in which new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment is installed and fully functional, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between January 1 and the extended due date of that year.
4. Property owners whose Statement of Benefits was approved, must submit Form CF-1/PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
5. For a Form SB-1/PP that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. For a Form SB-1/PP that is approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. (IC 6-1.1-12.1-17)

SECTION 1		TAXPAYER INFORMATION						
Name of taxpayer Herbert Malarkey Roofing Company		Name of contact person Dave Wachsmuth						
Address of taxpayer (number and street, city, state, and ZIP code) P.O. Box 17217, Portland, Oregon 97217		Telephone number (503) 240-7828						
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT						
Name of designating body City of Franklin		Resolution number (s)						
Location of property A portion of Parcel 41-05-34-041-001.000-064		County Johnson		DLGF taxing district number 064				
Description of manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment. (Use additional sheets if necessary.) Installation of machinery & equipment in connection with the establishment of a new Midwest production facility at the project site. Employment estimates are through December 31, 2029.		ESTIMATED						
		START DATE		COMPLETION DATE				
		Manufacturing Equipment		01/01/2025		12/31/2027		
		R & D Equipment						
		Logist Dist Equipment						
IT Equipment								
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT						
Current Number	Salaries	Number Retained	Salaries	Number Additional	Salaries			
				215	12040000			
SECTION 4		ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT						
NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Current values								
Plus estimated values of proposed project	93,000,000						2,000,000	
Less values of any property being replaced								
Net estimated values upon completion of project	93,000,000						2,000,000	
SECTION 5		WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER						
Estimated solid waste converted (pounds) _____		Estimated hazardous waste converted (pounds) _____						
Other benefits:								
SECTION 6		TAXPAYER CERTIFICATION						
I hereby certify that the representations in this statement are true.								
Signature of authorized representative Dave S. Wachsmuth				Date signed (month, day, year) 5/1/2024				
Printed name of authorized representative Dave Wachsmuth				Title VP of Finance				

FOR USE OF THE DESIGNATING BODY

We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

A. The designated area has been limited to a period of time not to exceed NA calendar years * (see below). The date this designation expires is NA. *NOTE: This question addresses whether the resolution contains an expiration date for the designated area.*

B. The type of deduction that is allowed in the designated area is limited to:

1. Installation of new manufacturing equipment;
2. Installation of new research and development equipment;
3. Installation of new logistical distribution equipment.
4. Installation of new information technology equipment;

☒ Yes ☐ No
☒ Yes ☐ No
☒ Yes ☐ No
☒ Yes ☐ No

☐ Enhanced Abatement per IC 6-1.1-12.1-18
 Check box if an enhanced abatement was approved for one or more of these types.

C. The amount of deduction applicable to new manufacturing equipment is limited to \$ NA cost with an assessed value of \$ _____. (One or both lines may be filled out to establish a limit, if desired.)

D. The amount of deduction applicable to new research and development equipment is limited to \$ NA cost with an assessed value of \$ _____. (One or both lines may be filled out to establish a limit, if desired.)

E. The amount of deduction applicable to new logistical distribution equipment is limited to \$ NA cost with an assessed value of \$ _____. (One or both lines may be filled out to establish a limit, if desired.)

F. The amount of deduction applicable to new information technology equipment is limited to \$ NA cost with an assessed value of \$ _____. (One or both lines may be filled out to establish a limit, if desired.)

G. Other limitations or conditions (specify) NA

H. The deduction for new manufacturing equipment and/or new research and development equipment and/or new logistical distribution equipment and/or new information technology equipment installed and first claimed eligible for deduction is allowed for:

- ☐ Year 1 ☐ Year 2 ☐ Year 3 ☐ Year 4 ☐ Year 5
☐ Year 6 ☐ Year 7 ☐ Year 8 ☐ Year 9 ☒ Year 10

☐ Enhanced Abatement per IC 6-1.1-12.1-18
 Number of years approved: _____
 (Enter one to twenty (1-20) years; may not exceed twenty (20) years.)

I. For a Statement of Benefits approved after June 30, 2013, did this designating body adopt an abatement schedule per IC 6-1.1-12.1-17? ☐ Yes ☐ No
 If yes, attach a copy of the abatement schedule to this form.
 If no, the designating body is required to establish an abatement schedule before the deduction can be determined.

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved by: (signature and title of authorized member of designating body) <u>Ken Austin President</u>	Telephone number <u>(317) 736-3631</u>	Date signed (month, day, year) <u>05/20/24</u>
Printed name of authorized member of designating body <u>Ken Austin</u>	Name of designating body <u>City of Franklin City Council</u>	
Attested by: (signature and title of attester) <u>Dana Hanson CDSpecialist</u>	Printed name of attester <u>Dana Hanson</u>	

* If the designating body limits the time period during which an area is an economic revitalization area, that limitation does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years that is less than the number of years designated under IC 6-1.1-12.1-17.

6-1.1-12.1-17

Abatement schedules

c. 17. (a) A designating body may provide to a business that is established in or relocated to a revitalization area and that receives a deduction under section 4 or 4.5 of this chapter an abatement schedule based on the following factors:

- (1) The total amount of the taxpayer's investment in real and personal property.
- (2) The number of new full-time equivalent jobs created.
- (3) The average wage of the new employees compared to the state minimum wage.
- (4) The infrastructure requirements for the taxpayer's investment.

This subsection applies to a statement of benefits approved after June 30, 2013. A designating body shall establish an abatement schedule for each deduction allowed under this chapter. An abatement schedule must specify the percentage amount of the deduction for each year of the deduction. Except as provided in IC 6-1.1-12.1-18, an abatement schedule may not exceed ten (10) years.

An abatement schedule approved for a particular taxpayer before July 1, 2013, remains in effect until the abatement schedule expires under the terms of the resolution approving the taxpayer's statement of benefits.

EXHIBIT C

Real and Personal Property Schedule

135 acres

Paul Hand Road- 3543 Essex Drive

Parcel Number:

41-05-34-041-001.000-064

Resolution 2024-01

Year	Abatement
1	100%
2	95%
3	80%
4	65%
5	50%
6	40%
7	30%
8	20%
9	10%
10	5%

Resolution 2024-02

Year	Abatement
1	100%
2	90%
3	80%
4	70%
5	60%
6	50%
7	40%
8	30%
9	20%
10	10%