



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

MINUTES

ECONOMIC DEVELOPMENT COMMISSION

March 14, 2017

Members Present:

Jake Sappenfield	President
Josh DeArmitt	Vice-President
Ken Austin	Secretary
John Ditmars	Member
Lee Hodgen	Member

Others Present:

Rob H. Schafstall	Legal Counsel
Rhoni Oliver	Community Development Specialist
Julie Spate	Recording Secretary

Call to Order:

Jake Sappenfield called the meeting to order.

Approval of Minutes

Lee Hodgen moved to approve the December 13th minutes. Josh DeArmitt seconded. The motion carried.

Old Business

None.

New Business:

EDC 2017-01 Innovative 3D Manufacturing – Personal Property Tax Abatement Request

Chris Beck presented a synopsis of their company. They will have two new employees and will be purchasing over one million dollars in equipment along with a building. Mr. Beck is seeking help for the taxes on their equipment. Mr. Sappenfield asked what they anticipated in the future on employee count. Mr. Beck responded with 1-2 employees per year for the next five years with wages between \$15-30/hour. John Ditmars supports the investment and where it's going but is observant of their limited staff numbers. Ken Austin asked if all three partners will be selling and Mr. Beck confirmed. Mr. Beck just signed a purchase agreement with Bemis yesterday. Mr. Sappenfield recommends a three- to five-year abatement. Others on the board supported three years. Mr. Austin made a motion that ERA and tax abatement findings on personal property #6a-e is found in compliance. Mr. Ditmars seconded. Passed. Mr. DeArmitt made a motion to grant abatement request on \$1.2 million on personal property investment for three years. Mr. Ditmars seconded. Passed.

EDC 2017-02 NSK Corporation – Amended Tax Abatement Request (Personal Property)

Kyle Stiens presented an amended tax abatement request for their \$20 million awarded in 2013 for the investment period of 2013-2015. The anticipated investment amount was not made. \$8.57 million was spent by NSK out of the original \$20 million. Mr. Stiens explained in technical detail the factors that resulted in less than the \$20 million invested. Rob Schafstall doesn't understand why this is necessary.

His counsel is that it is not an error on the original SB1 but rather that after the abatement was approved, circumstances changed. It is more a matter of whether they are in or out of compliance. The commission is allowed to find NSK not in compliance but due to factors beyond their control. If nothing was done today, that is where it would end up, but NSK likely prefers we do take action to amend on the front side so they are not found not in compliance. Mr. Stiens reported Krista Linke's recommendation that this amendment take place. Mr. Schafstall explained there is no rule that an abatement must be amended due to such circumstances. It is normally handled through the compliance side of it as a justified non-compliance. Otherwise this would set a precedent that any time circumstances change, companies would appear before the commission to make an amendment. Mr. Austin doesn't support setting a precedent for companies to guess high and then come back to say their circumstances changed and the commission does nothing. Mr. Ditmars pointed out that had Mr. Stiens not come in to disclose the situation, this would have automatically gone through the compliance process as opposed to an amendment process. Mr. Sappenfield identified the original abatement at 10 years for \$10 million dollars and being down to eight million dollars, discussion could be held regarding dropping the period of the abatement to seven years. Mr. Schafstall summarized that today's decision is to either grant their amendment request today or not. Mr. Ditmars asked again what will happen if the commission chooses no course of action at this meeting. Mr. Schafstall responded that they would then submit their compliance report, and action would be taken then. Mr. Hodgen made a motion to set aside this request for another time. Mr. Ditmars seconded. Passed.

C 2017-02 Amcor Rigid Plastics, USA

Mr. Austin made a motion to find them in compliance. Mr. Ditmars seconded. Passed.

C 2017-04 BCC Products

Mr. Hodgen made a motion to find them in compliance. Mr. DeArmitt seconded. Passed.

C 2017-05 Caterpillar Reman Powertrain Indiana LLC

Mr. Ditmars made a motion to find them in compliance. Mr. Austin seconded. Passed.

C 2017-15 Faulkenberg Printing

Mr. Austin made a motion to find them in compliance. Mr. Hodgen seconded. Passed.

C 2017-18 Heartland Machine & Engineering, LLC

Mr. Austin made a motion to find them in compliance. Mr. DeArmitt seconded. Passed.

C 2017-24 Laugle Properties

C 2017-25 Laugle Properties

Mr. Hodgen made a motion to find both in compliance. Mr. Austin seconded. Passed.

C 2017-34 NSK Precision America, Inc.

Mr. Ditmars made a motion to find both in compliance. Mr. DeArmitt seconded. Passed.

C 2017-38 NSK Precision America

Mr. Ditmars made a motion to find both in compliance. Mr. DeArmitt seconded. Passed.

C 2017-39 Tube Forming Systems, Inc. d/b/a Overton Industries

C 2017-41 Tube Forming Systems, Inc. d/b/a Overton Industries

Mr. DeArmitt made a motion to find both in compliance. Mr. Austin seconded. Passed.

Other Business:

None.

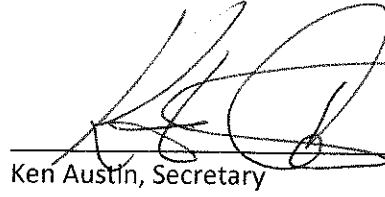
Adjournment:

There being no further business, a motion for adjournment was made, seconded and passed.

Respectfully submitted this 11th day of April, 2017.



Jake Sappenfield, President



Ken Austin, Secretary