



CITY OF FRANKLIN

DEPARTMENT OF COMMUNITY DEVELOPMENT

Staff Report

To: Economic Development Commission Members
From: Dana Monson
Date: August 12, 2024
Re: Case EDC 2025-04 – Rapid Prototyping and Engineering

Case EDC 20254-04 – Rapid Prototyping and Engineering: A request for a 5-year abatement on \$881,906 in personal property investment to add new equipment to support continued company growth.

Location: 1424 Commerce Parkway 41-08-11-044-002.000-009



Summary:

1. Characteristics of this location:

Rapid Prototyping and Engineering has been at this location since 2018. The company has added additional equipment and employees as its business continues to expand. In 2024, the company was sold to the owners of Sacoma in Edinburgh. The original owners continue to be involved in the company.

2. Characteristics of this petitioner:

Rapid Prototyping & Engineering, Inc. has provided quality engineered and machined castings, billet components, fixturing, and tooling solutions for over 30 years. Our customers are typically under pressure to bring their new products to the market with very aggressive development schedules. Many produce highly complex, technologically advanced mechanical assemblies. Regardless of a project's

complexity or lead time, large and small customers alike can rely on Rapid to provide the personal attention and effort required to meet their needs.” Source: www.rpemachining.com.

3. Characteristics of this project:

Rapid Prototyping and Engineering intends to add new equipment to support a new customer launch as part of the growth that is coming with their new expansion of the current 12,000-square-foot facility. This will expand the products and customer base of the company and provide new job opportunities.

4. Economic Revitalization Area (ERA):

This property has been previously designated an ERA through City Council Resolutions 2012-04 and 2012-05.

5. Previous Tax Abatement Received:

Rapid Prototyping and Engineering has received five previous abatements from the city through Resolution 18-01 for a seven-year real property abatement and a five-year personal property abatement, Resolution 19-10 for a five-year personal property abatement, Resolution 23-19 for a five-year real property abatement, and Resolution 24-05 for a five-year personal property abatement. These personal property abatements have all been in the \$800,000-\$1,000,000 range.

6. ERA & Tax Abatements Findings (Personal Property):

Indiana Code Section 6-1.1-12.1-4.5 states that the following findings must be made when considering an ERA designation and the granting of tax abatement for personal property:

- a. Whether the estimate of the cost of new manufacturing equipment is reasonable for equipment of that type;
- b. Whether 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 new manufacturing equipment;
- c. Whether the estimate of 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 manufacturing equipment;
- d. Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the installation of the new manufacturing equipment; and
- e. Whether the totality of the benefits is sufficient to justify the tax abatement.

7. City of Franklin “Tax Abatement Policy” criteria:

The “Tax Abatement Policy” section of the *City of Franklin Community Investment Incentives Summary* states that the Economic Development Commission shall use certain criteria when considering a request for tax abatement. A comparison of those criteria and this request follows:

- a. *Diversification of Local Occupations:* This project will add 2 new employees and retain all the current 26 employees.
- b. *Diversification of Local Employment:* This equipment provides the opportunity to expand the customer base and opportunities for future job growth.
- c. *Increase in Local Salaries:* The average wage for all industries in Johnson County for 2025 is \$23.42. The average hourly wage in Johnson County for Low/moderate wages is \$17.00 per hour. Rapid Prototyping will pay an average of \$27.50 per hour, above both the county average wage and low/mod wage.
- d. *Sustainable Land Use:* The petitioner proposes to make this investment at an existing property located within the Franklin Business Park.
- e. *Future Community Investment:* The applicant should share with the EDC their plans for future community investment. The company has indicated on its application that they are agreeable to a 5% economic development fee on personal property.
- f. *Conformance with the Comprehensive Plan:* The Comprehensive Plan - Future Land Use Plan identifies this property as Industrial General. Industrial General zoning permits the following uses: Industrial Uses • agricultural products terminal • dry cleaners (commercial) • food & beverage production • general industrial production • light industrial assembly & distribution • light industrial processing and distribution • power generation facility (commercial) • research and development facility • truck freight terminal • warehouse & distribution facility
- g. The property is zoned IG, Industrial: General. The "IG", Industrial: General zoning district is intended to provide locations for general industrial manufacturing, production, assembly, warehousing, research & development facilities, and similar land uses. This district is intended to accommodate a variety of industrial uses in locations and under conditions that minimize land use conflicts. This district should be used to support industrial retention and expansion in Franklin.

8. Tax Abatement Duration:

The *City of Franklin Community Investment Incentives Summary* provides that longer periods of abatement on real and personal property may be considered for requests of an exceptional nature. The Summary states that development examples of an exceptional nature include projects that:

- a. Create a new plant or product line for an existing manufacturer;
- b. Creates substantial employment opportunities with higher than average wages;
- c. Increase substantially property values and the city tax base with minimal impact on city services (police & fire protection, schools, utilities, infrastructure, etc.); and
- d. Utilize existing public infrastructure (sanitary & storm sewer, roads & streets, drainage facilities, and other utilities).

9. Requested Effective Year:

10. The petitioner has requested that, if approved, the tax abatement be effective for the first year taxes are assessed at an increased assessment rate.

Staff Comments:

The Mayor is supportive of this abatement application based on the company's relationship with the city and the number of residents who are employed here. With 2 new jobs currently planned, the mayor is supportive of a three- to five-year abatement.



CITY OF FRANKLIN

Community Development DEPARTMENT

Tax Abatement Application

Organization/Corporation Requesting Tax Abatement

Organization/Corporation Name: RP&E LLC
Primary Contact Name: Alex Martin
Contact Address: 1424 Commerce Parkway
City: Franklin State: IN Zip: 46131
Phone Number: 317-739-3543
Email: amartin@sacoma.com
Three possible dates before the EDC meeting to conduct a site visit : Flexible - available for tour anytime.
Name of Owner: Claude Davis, Tom Thornburg
Parent Company (If Applicable): Washington Street Management LLC

Primary Contact for Yearly Compliance Reports

Name: Alex Martin
Title: CFO
Address: 1424 Commerce Parkway
City: Franklin State: IN Zip: 46131
Phone Number: 615-517-1919
Email: amartin@sacoma.com

Description of Project

Project Location/Address: 1424 Commerce Parkway, Franklin IN, 46131
Parcel Number: _____
Brief Description of Project:
New machining equipment and investments to support customer product launch.

Current Assessed Value (AV) of the Property:

- | | |
|--------------|---|
| 1. Land | <u>\$317,300</u> |
| 2. Building | <u>\$1,384,200</u> |
| 3. Inventory | _____ |
| 4. Equipment | <u>\$1,391,240 (\$1,103,490 - final assessed value)</u> |

Have building permits been applied for (if applicable): Yes No
Has equipment been installed (if applicable): Yes No

Required Attachments:

- | | |
|---|--|
| <input type="checkbox"/> Completed SB-1 Form(s) | <input type="checkbox"/> Summary of Benefits (if applicable) |
| <input type="checkbox"/> Legal Description of the Property | <input type="checkbox"/> Employment Phase-In Schedule |
| <input type="checkbox"/> Company Financial Statement if requested | <input type="checkbox"/> Company Investment Timetable |
| <input type="checkbox"/> Job and Wage Description Information Sheet | <input type="checkbox"/> Compliance Affidavit |

Type of Abatement RequestedReal Property ☐Personal Property ☒Length of Abatement Requested: 5 Years

Project Size (square feet): _____

Size of Site (acres): _____

Type of Building:

Multiple Tenants (leased)

Single Tenant (leased)

Owner Occupied

Corporate Headquarters

Capital Investment

1. Real property capital investment only: _____

2. Personal property capital investment only: _____

\$881,906

3. Total capital investment for proposed project: _____

\$881,906**Jobs Created and/or Retained**1. Estimated number of full time jobs created by the proposed project: 22. Estimated number of full time jobs retained as a direct result of the proposed project: 263. Total number of full time jobs upon project completion: 28**Wages Created and Retained**

1. Average hourly wage rate for new jobs (w/o benefits) _____

\$27.5

2. Average hourly wage rate for jobs retained (w/o benefits) _____

***In addition to answering these questions, please fill out the Job and Wage Description for Tax Abatement Application information sheet and submit it with the application as an attachment.

Please explain why the abatement incentive is necessary to the project: Attach additional sheets as necessary.

The new pieces of equipment represent a significant investment by RP&F LLC. The tax abatement will help ease the financial burden of this investment resulting in job creation and economic growth for the community.

Company InformationHow long has the company been in existence? 2+ years, 30+ under previous ownership

Current address of company headquarters and duration at that address: _____

1424 Commerce Parkway

Approximate percentage of employees at current location who live in the City of Franklin and/or Johnson County: _____

55%

Have you ever received tax abatement at your current location? Yes No

If yes, when and for what term? _____

5 and 7

What specifically has the company done to give back to the community: _____

Community involvement including sponsored movie at Artcraft theater, team at the Soccer Association Golf Outing, and host multiple planning meetings at local businesses.

While acting as a strong advocate for using economic incentives to help applicants expand and/or locate in the community, the City of Franklin also strives to enrich the quality of life for its citizens. To that end, the City embraces the use of voluntary economic development fees as allowed under Indiana law (IC 6-1.1-12.1-14). These fees are directed by the City to local nonprofit organizations to bolster their economic development efforts. The fee can be applied on both real and personal property abatements. The fee is collected annually by the County Treasurer as a special assessment on the tax bill and is distributed by the City to the designated economic development nonprofit organization. Typically, 2% is charged on Real Property and 5% is charged on Personal Property. The fee is a percentage of the abatement received. For example, instead of receiving 100% abatement in the first year, the company receives a 95% abatement, with the 5% difference going to support local economic development. More information can be found on the City's website (www.franklin.in.gov) under the Economic Development tab.

Is the company agreeable to the Economic Development Fee? Yes No

If yes, at what percent(s)? _____

5%



STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51764 (R / 1-06)

Prescribed by the Department of Local Government Finance

FORM SB-1 I PP

PRIVACY NOTICE

The cost and any specific individual's salary information is confidential; the balance of the filing is public record per IC 6-1.1-12.1-5.1 (c) and (d).

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. "Projects" planned or committed to after July 1, 1987, and areas designated after July 1, 1987, require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
2. Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to installation of the new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment, BEFORE a deduction may be approved
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. The 103-ERA must be filed between March 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 March 1 and the extended due date of that year.
4. Property owners whose Statement of Benefits was approved after June 30, 1991, must submit Form CF-1 / PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
5. The schedules established under IC 6-1.1-12.1-4.5(d) and (e) apply to equipment installed after March 1, 2001. For equipment installed prior to March 2, 2001, the schedules and statutes in effect at the time shall continue to apply. (IC 6-1.1-12.1-4.5(f) and (g))

SECTION 1		TAXPAYER INFORMATION						
Name of taxpayer		RP&E LLC						
Address of taxpayer (number and street, city, state, and ZIP code)		1424 Commerce Parkway, Franklin IN, 46131						
Name of contact person		Telephone number						
Alex Martin		(615) 517-1919						
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT						
Name of designating body		Resolution number (s)						
City of Franklin City Council								
Location of property		County						
1424 Commerce Parkway, Franklin IN, 46131		Johnson						
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)		ESTIMATED						
Starrett Vision System, 2 Doosan DVF 6500 5th Axis Machining Centers, Parts Washer		START DATE						
		COMPLETION DATE						
		Manufacturing Equipment						
		7/30/2025						
		12/30/2025						
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					
26	\$75,000 - \$85,000 /avg	26	\$75,000 - \$85,000 /avg					
		Number additional	Salaries					
		2	\$65,000 - \$75,000					
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	\$2,500,000	\$1,103,490						
Plus estimated values of proposed project	\$881,906							
Less values of any property being replaced								
Net estimated values upon completion of project	\$4,485,396							
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	Title	Date signed (month, day, year)						
Alex Martin	CFO	7/8/25						

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 _____ calendar years * (see below). The date this designation expires is _____

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

1. Installation of new manufacturing equipment;

☐ Yes ☐ No

2. Installation of new research and development equipment;

☐ Yes ☐ No

3. Installation of new logistical distribution equipment.

☐ Yes ☐ No

4. Installation of new information technology equipment;

☐ Yes ☐ No

C. The amount of deduction applicable to new manufacturing equipment is limited to \$ _____ cost with an assessed value of \$ _____

D. The amount of deduction applicable to new research and development equipment is limited to \$ _____ cost with an assessed value of \$ _____

E. The amount of deduction applicable to new logistical distribution equipment is limited to \$ _____ cost with an assessed value of \$ _____

F. The amount of deduction applicable to new information technology equipment is limited to \$ _____ cost with an assessed value of \$ _____

G. Other limitations or conditions (specify) _____

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 on or after July 1, 2000, is allowed for:

☐ 1 year

☐ 6 years

** For ERA's established prior to July 1, 2000, only a

☐ 2 years

☐ 7 years

5 or 10 year schedule may be deducted.

☐ 3 years

☐ 8 years

☐ 4 years

☐ 9 years

☐ 5 years **

☐ 10 years **

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: (signature and title of authorized member)

Telephone number

Date signed (month, day, year)

()

Attested by:

Designated body

* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.1-12.1-4.5

**JOB AND WAGE DESCRIPTION
FOR TAX ABATEMENT APPLICATION**

Please provide the following job and wage earning information that is associated with this Tax Abatement Petition (*Please specify all wages in an hourly format without benefits*):

- (1) Company NAICS code: 332710.
- (2) The total number of jobs current at the site: 26, the number of those jobs that will be retained as a direct result of the proposed investment 26, and the number of new jobs which will be created as a direct result of the proposed investment 2.
- (3) The total number of full-time employees at the site: 26.
- (4) The total number of temporary and/or contract employees currently at the site: 0.
- (5) The average hourly wages for the new jobs: \$27.5.
- (6) Will the new jobs being created begin as temporary and/or contract employees? No
If yes, please provide an explanation of the typical transition process to full time:

(7) Number of new and/or retained jobs in:

- (a) Managerial/Professional Specialty Occ.: 2 Average Hourly Wage: \$65
- (b) Technical/Sales/Admin. Support Occ.: 4 Average Hourly Wage: \$40
- (c) Service Occ.: Average Hourly Wage:
- (d) Precision Production/Craft/Repair Occ.: 20 Average Hourly Wage: \$30
- (e) Operators/Fabricators/Laborers: 2 Average Hourly Wage: \$20

Note: The total number of jobs specified above should correspond with the Statement of Benefits Form SB-1.

(8) Attach detailed information on the types of benefits offered for new employees. A description of all possible bonuses and incentives should also be given if provided.

These machining roles will be full-time & eligible for benefits, including 401k, healthcare, etc. Competitive profit-sharing bonus, averaging \$4,000 - \$5,000 annually.

**EMPLOYMENT PHASE-IN SCHEDULE
JOB CREATION/RETENTION TIMETABLE**

2025	Job Type 1	Job Type 2	Job Type 3	Job Type 4	Total
Year of Abatement	Machinist 1				
1st Quarter					
2nd Quarter					
3rd Quarter	1				1
4th Quarter	1				1
Year of Abatement					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
Year of Abatement					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
TOTAL	2				

COMPANY INVESTMENT TIMETABLE

Year of Abatement	Buildings	Equip. Type 1	Equip. Type 2	Equip. Type 3	Total
1st Quarter		5 Axis Machining Center	Video Measurement System	Custom Parts Washer	
2nd Quarter					
3rd Quarter		\$358,588	\$63,480	\$101,250	
4th Quarter		\$358,588			
Year of Abatement					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
Year of Abatement					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
TOTAL					

ENVIRONMENTAL, LAND USE, AND
PERMITTING COMPLIANCE AFFIDAVIT

I, Alex Martin (representative) on behalf of RP+E LLC (company) represent that, except to the extent that the City of Franklin has been given written notice of any environmental, chemical, or waste hazards or violations prior to the date of this affidavit, the petition and project plan of RP+E LLC (company) does not contemplate, contain, nor anticipate:

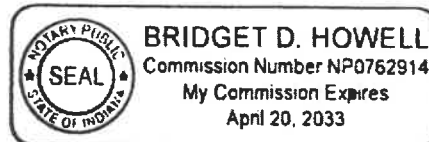
- (1) any violation(s) of City of Franklin Municipal codes and/or ordinances;
- (2) any violation(s) of applicable zoning ordinances;
- (3) any violation(s) of site plan review and/or building permit requirements;
- (4) any violation(s) of federal or state laws, including but not limited to OSHA and ADA, and all other regulations regarding safety, land use, and access;
- (5) any violation(s) of federal or state laws, including but not limited to the creation, maintenance, utilization, control, handling, existence, and/or disposal of hazardous waste, chemicals, conditions, equipment, materials, entities, or components as defined under federal and/or state law.

Further, RP+E LLC (company) states that the construction and operation of the proposed facility will in no way result in any discharges which will result in interruptions, inconsistencies, or failures in the operation of the Franklin Wastewater Treatment facility. The petitioner understands that the violation of any element of this affidavit may result in the revocation of any tax abatements or other economic incentives which may have been granted by the City of Franklin.

Alex Martin
Petitioner

7/8/25
Date

STATE OF Indiana
COUNTY OF Bartholomew SS:



Subscribed and sworn to before me on this 8 Day of July, 2025.

My Commission Expires: April 20, 2033

Bridget Howell
Notary Public

EXHIBIT A

A part of the Southeast Quarter of Section 11, Township 12 North, Range 4 East of the Second Principal Meridian, Johnson County, Indiana, described as follows:

Commencing at the Southwest corner of said Quarter Section; thence North 00 degrees 06 minutes 08 seconds West (previous survey bearing) along the West line of said Quarter Section 50.00 feet; thence North 89 degrees 13 minutes 22 seconds East 1240.00 feet to the Point of Beginning of the described tract; thence North 00 degrees 00 minutes 00 seconds West 513.37 feet; thence North 90 degrees 00 minutes 00 seconds East 477.92 feet to a point on the West right-of-way line of a roadway easement; the next two (2) courses follow last said West right-of-way line; thence Southeasterly on and along a curve to the right with a radius of 770.00 feet, an arc distance of 261.63 feet and a chord bearing and distance of South 09 degrees 44 minutes 03 seconds East 260.38 feet; thence South 0 degrees 00 minutes 00 seconds East 249.66 feet; thence South 89 degrees 13 minutes 22 seconds West 522.12 feet to the Point of Beginning, containing 6.025 acres, more or less.



Indiana Tax Abatement Results

- Johnson County, FRANKLIN CITY FRANKLIN TWP
- Tax Rate (%): 2.7644
- Project Name: RP & E

Personal Property: \$881,906

	Abatement Percentage	Property Taxes	With Abatement		Property Taxes	Without Abatement		Estimated Tax Abatement Savings
			Circuit Breaker Tax Credit	Net Property Taxes		Circuit Breaker Tax Credit	Net Property Taxes	
Year 1	100	\$0	\$0	\$0	\$9,752	\$0	\$9,752	\$9,752
Year 2	80	\$2,730	\$0	\$2,730	\$13,652	\$0	\$13,652	\$10,922
Year 3	60	\$4,096	\$0	\$4,096	\$10,239	\$0	\$10,239	\$6,144
Year 4	40	\$4,681	\$0	\$4,681	\$7,801	\$0	\$7,801	\$3,121
Year 5	20	\$5,851	\$0	\$5,851	\$7,314	\$0	\$7,314	\$1,463
Totals		\$17,358	\$0	\$17,358	\$48,759	\$0	\$48,759	\$31,401



Indiana Tax Abatement Results

- Johnson County, FRANKLIN CITY FRANKLIN TWP
- Tax Rate (%): 2.7644
- Project Name: RP & E

Personal Property: **\$881,906**

	Abatement Percentage	With Abatement			Without Abatement			Estimated Tax Abatement Savings
		Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	
Year 1	100	\$0	\$0	\$0	\$9,752	\$0	\$9,752	\$9,752
Year 2	66	\$4,642	\$0	\$4,642	\$13,652	\$0	\$13,652	\$9,011
Year 3	33	\$6,860	\$0	\$6,860	\$10,239	\$0	\$10,239	\$3,379
Totals		\$11,502	\$0	\$11,502	\$33,644	\$0	\$33,644	\$22,141