



CITY OF FRANKLIN

DEPARTMENT OF PLANNING & ECONOMIC DEVELOPMENT

Memorandum

To: City of Franklin Economic Development Commission
From: Krista Linke, Director of Planning & Economic Development
Date: March 5, 2012
Re: Case C 2012-06: Electro-Spec

Summary:

- On February 25th, 2008, the Franklin Common Council passed Resolution No. 2008-04, approving a 10-year tax abatement on real property and a 7-year personal property tax abatement for Electro-Spec located at 3070 RJ Parkway.
- Actual and estimated benefits, as projected for 2011:

	Estimated on SB-1	Actual in 2011	Difference
Employees Retained	43	43	0
Salaries	\$1,649,129	\$1,649,129	\$0
New Employees	7	25	18
Salaries	\$189,280	\$1,009,603	\$820,323
Total Employees	50	68	18
Total Salaries	\$1,838,409	\$2,658,732	\$820,323
Average Hourly Salaries	\$17.68	\$18.80	\$1.12
Personal Property Improvements	\$2,200,000	\$2,391,230	\$191,230
Real Property Improvements	\$319,000	\$417,261	\$98,261

- The company has exceeded their estimate provided on their SB-1 Form for real property improvements.
- The company purchased the remainder of the manufacturing equipment for which they received the personal property abatement. Because it took them longer to purchase the equipment than anticipated, Resolution 2008-04 was amended with Resolution 2010-13 to allow them to purchase the equipment by the end of 2010. The 7-year personal property tax abatement will begin in the year the machinery is purchased.
- The company has met the number of employees retained as well as exceeded the number of new employees by eight. The average hourly salary exceeds what was estimated on the SB-1 Form.
- The real property tax abatement is scheduled to expire in tax year 2018 payable 2019. The final compliance review will take place in 2019.
- The personal property tax abatement is scheduled to expire in 2016 payable 2017. The final compliance will take place in 2017.

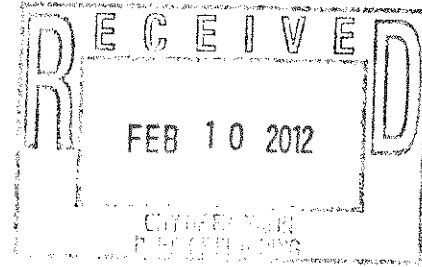
Staff Recommendation: Approval



12-06

February 9, 2012

Mrs. Krista Linke, Director
Dept. Of Planning & Economic Development
70 East Monroe Street
Franklin, IN 46131



RE: Tax Abatement Compliance for Electro-Spec, Inc.

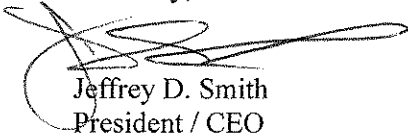
Dear Mrs. Linke:

Enclosed please find the CF-1 forms (Compliance with Statement of Benefits) regarding compliance with real and personal property tax abatements which were granted to Electro-Spec, Inc. under Franklin Common Council Resolution Mo. 08-04/10/13.

As you can see from reviewing the enclosed documents, our company has been successful in (1) exceeding substantially all of the capital investments which had been projected for the project, and (2) exceeding the number of jobs which had been proposed in the Statement of Benefits (Form SB-1).

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,


Jeffrey D. Smith
President / CEO
(317) 738-9199 ext. 204
jsmith@electro-spec.com

3070 RJ Parkway
Franklin, IN 46131
(317) 738-9199 phone
(317) 738-9491 fax



COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51765 (R / 1-06)

Prescribed by the Department of Local Government Finance

FORM CF-1 / PP

- 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 March 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 March 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 Electro-Spec, Inc.	
Address of taxpayer (number and street, city, state, and ZIP code) 3070 RJ Parkway Franklin, IN 46131	
Name of contact person Jeffrey D. Smith	Telephone number (317) 738-9199
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY	
Name of designating body Franklin City Council	
Location of property 3070 RJ Parkway Franklin, IN 46131	County Johnson
Resolution number 08-04/10-13	
DLGF taxing district number 41-009	
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired. Plating Lines and Associated Equipment	
Estimated starting date (month, day, year) 03/01/2008	
Estimated completion date (month, day, year) 12/31/2010	

SECTION 3 EMPLOYEES AND SALARIES		
EMPLOYEES AND SALARIES	AS ESTIMATED ON SB-1	ACTUAL
Current number of employees	43.00	68
Salaries	1,649,129.00	2,658,732.00
Number of employees retained	43.00	43
Salaries	1,649,129.00	1,649,129
Number of additional employees	7.00	25
Salaries	189,280.00	1,009,603

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	2,200,000.00							
Less: Values of any property being replaced								
Net values upon completion of project								
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	4,072,444.00							
Plus: Values of proposed project	2,391,230.00							
Less: Values of any property being replaced								
Net values upon completion of project	6,463,674.00							

NOTE: The **COST** of the property is confidential pursuant to IC 6-1.1-12.1-5.6 (d).

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		
Amount of hazardous waste converted		
Other benefits:		

SECTION 6 TAXPAYER CERTIFICATION		
I hereby certify that the representations in this statement are true.		
Signature of authorized representative 	Title President	Date signed (month, day, year) 2/9/12



COMPLIANCE WITH STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51766 (R2 / 1-07)

Prescribed by the Department of Local Government Finance

20 11 PAY 20 12

FORM CF-1 / Real Property

PRIVACY NOTICE

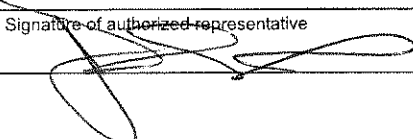
The cost and any specific individual's salary information is confidential; the balance of the filing is public record per IC 6-1.1-12.1-5.1 (c) and (d).

This statement is being completed for real property that qualifies under the following Indiana Code (check one box):

- ☐ Redevelopment or rehabilitation of real estate improvements (IC 6-1.1-12.1-4)
☐ Eligible vacant building (IC 6-1.1-12.1-4.8)

INSTRUCTIONS:

1. This form does not apply to property located in a residentially distressed area. (IC 6-1.1-12.1-2 (b))
2. Property owners must file this form with the County Auditor and the Designating Body for their review regarding the compliance of the project with the Statement of Benefits (SB-1 / Real Property).
3. This form must accompany the initial deduction application that is filed with the County Auditor.
4. Property owners whose Statement of Benefits was approved after June 30, 1991, must file an updated form with the County Auditor and the local Designating Body to show the extent to which there has been compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.1)
5. The updated form must be filed annually by May 15, or by the due date for the real property owner's personal property return that is filed in the township where the project is located, whichever is later. (IC 6-1.1-12.1-5.1 (b))
6. With the approval of the Designating Body, compliance information for multiple projects may be consolidated on one (1) compliance form (CF-1 / Real Property).

SECTION 1 TAXPAYER INFORMATION			
Name of taxpayer: Electro-Spec, Inc.			
Address of taxpayer (number and street, city, state, and ZIP code) 3070 RJ Parkway Franklin, IN 46131			
Name of contact person Jeffrey D. Smith		Telephone number (317) 738-9199	
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY			
Name of designating body Franklin City Council		Resolution number 08-04/10-13	
Location of property 3070 RJ Parkway Franklin, IN 46131		County Johnson	DLGF taxing district number 41-009
Description of real property improvements: 6900 Sq. Ft Building Expansion		Estimated starting date (month, day, year) 03/01/2008	
		Estimated completion date (month, day, year) 09/01/2008	
SECTION 3 EMPLOYEES AND SALARIES			
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		43	68
Salaries		1,649,129.00	2,658,732.00
Number of employees retained		43	43
Salaries		1,649,129.00	1,649,129.00
Number of additional employees		7	25
Salaries		189,280.00	1,009,603
SECTION 4 COST AND VALUES			
COST AND VALUES		REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1		COST	
Values before project		685,900.00	
Plus: Values of proposed project		319,000.00	
Less: Values of any property being replaced			
Net values upon completion of project		985,900.00	
ACTUAL		COST	
Values before project		692,800.00	
Plus: Values of proposed project		417,261.00	
Less: Values of any property being replaced			
Net values upon completion of project		319,600.00	
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			
Amount of hazardous waste converted			
Other benefits:			
SECTION 6 TAXPAYER CERTIFICATION			
I hereby certify that the representations in this statement are true.			
Signature of authorized representative 		Title President	Date signed (month, day, year) 2/7/12

Personal Property Listing

This page is intended to list and identify all machinery and equipment which is presently installed at 3070 RJ Parkway, Franklin, Indiana. This equipment is all new in nature and can be defined by I.C. 6-1.1-12.1-1(3) including but not limited to metal plating equipment.

List of Equipment

- 1.) Galvabau automated plating line (multi-line)
- 2.) Galvabau automated plating line (single line)
- 3.) F1 Tiyoda-Serec Vacuum Vapor Degreaser
- 4.) Serec Dual-Chamber Vacuum Vapor Degreaser
- 5.) Nickel Rotary Plating Line
- 6.) ICP (Inter Coupled Plasma) Spectrometer
- 7.) Goema Closed-Loop Waste Treatment Plant
- 8.) Goema Dionized/Di-mineralized Water Treatment Plant
- 9.) Vanaire Air Ventilation System
- 10.) Two Fisher Fluorescent X-Ray Spectrometers
- 11.) Miscellaneous Laboratory, Quality Control and Operational Equipment
- 12.) Exhaust system
- 13.) Air compressors
- 14.) Air conditioner
- 15.) SBE Line (Automated Gold Plating Line)
- 16.) Passivation Line
- 17.) Sludge Dryer
- 18.) Misc. Plating Equipment (Racks, Baskets, Barrels)
- 19.) Exhaust System
- 20.) ICP unit/Service agreement
- 21.) Floor Scrubber
- 22.) SBE Line Items
- 23.) Heat Treat Oven
- 24.) Passivation Line
- 25.) Electroless Plating Line
- 26.) Selective Gold Plating Line
- 27.) AA Machine
- 28.) Chiller
- 29.) Dryers
- 30.) Air Compressor
- 31.) En manual Line
- 32.) Degreaser
- 33.) Fork Lift
- 34.) Baskets
- 35.) Pumps
- 36.) Genie Boom
- 37.) Heaters for Plating Lines
- 38.) X-Ray Machine

- 39.) Copier
- 40.) Lab/Inventory Software
- 41.) Server
- 42.) Spin Dryers
- 43.) Sludge Dryer
- 44.) Scissor Lift
- 45.) Misc Plating Line Items – Barrels, heaters, pumps
- 46.) SBE Plating Line - Hypertronics
- 47.) ICP Unit
- 48.) X-Ray Computer
- 49.) Copier – 2nd Office Area
- 50.) Ni & Ag Manual Line
- 51.) Micro Hardness Tester
- 52.) Passivation Line
- 53.) Mountaingate Steam Age Tester
- 54.) Computer (2)
- 55.) Oven
- 56.) Dryer
- 57.) Misc Plating Equip – Barrels, heaters, pumps
- 58.) Degreaser
- 59.) NI & Ag Manual Line (Hoist, Crane, Track System, misc items)
- 60.) Computer (6)
- 61.) Air Compressor
- 62.) Misc Plating Line Items – Barrels, heaters, pumps
- 63.) X-Ray Machine
- 64.) Accounting Software
- 65.) Conference Table

Items 1-12 were purchased and recorded in 2004. Items 13-18 purchased and recorded in 2005. Items 19-30 were purchased and recorded in 2006. Items 31 - 42 purchased and recorded in 2007. Items 43 and 44 were purchased in 2008. Items 45-49 were purchased in 2009. Items 50-57 were purchased in 2010. Items 58-65 were purchased in 2011.

Electro-Spec, Inc.
3070 RJ Parkway
Franklin, IN 46131

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

	Actual Amount of Investment As of 03/01/2008 (Form SB-1)	Proposed Amount of Total Investment by 12/31/10 (Form SB-1)	Actual Amount of Investment Added During the Year (By Quarter)			Actual Total Investment as of 12/31/11	Difference Between Actual and Proposed Investment
			3/31/2011	6/30/2011	9/30/2011	12/31/2011	
Machinery & Equipment	\$ 4,072,444	\$2,200,000*	\$ 94,417	\$ 85,367	\$ 53,163	\$ 38,341	\$2,391,230**
Totals:		\$ 2,200,000					(\$191,230)

* As amended by Resolution Number 2010-13.

** Sum of Prior Years' Investment 2009 (\$1,169,455) 2010 Investment (\$950,487) and 2011 Investment (\$271,288).

Electro-Spec, Inc.
 3070 RJ Parkway
 Franklin, IN 46131

Attachment to Form CF-1 (Compliance with Statement of Benefits)
 Employees by Quarter

Number of Employees As 03/01/2008 (Form SB-1)	Proposed Total Number of Employees by 12/31/2010 (Form SB-1)	Actual Number of Employees (By Quarter			Actual Total Number of Employees as of 12/31/11	Difference Between Actual and Proposed Number of Employees
		3/31/2011	6/30/2011	9/30/2011		
43	50	60	63	69	68	18