



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 8, 2012
Re: Case C 2012-14: CTC Casting Technologies

Summary:

1. On April 28th, 2008, the Franklin Common Council passed Resolution No. 2008-11, approving a 10-year tax abatement on personal property for CTC Casting Technologies, Inc. located at 1450 Musicland Drive.
2. Actual and estimated benefits, as projected for 2011:

	Estimated on SB-1	Actual in 2011	Difference
Employees Retained	110	57	-53
Salaries	\$ 5,933,900	\$ 3,105,000	\$ (2,828,900)
New Employees	40	0	-40
Salaries	\$ 2,146,000	\$ -	\$ (2,146,000)
Total Employees	150	57	-93
Total Salaries	\$ 8,079,900	\$ 3,105,000	\$ (4,974,900)
Average Hourly Salaries	\$ 25.90	\$ 26.19	\$ 0.29
Personal Property Improvements	\$ 3,010,000	\$ 1,521,000	\$ (1,489,000)

3. In 2008 the company retained 110 jobs and created an additional 25. In 2009 the company was unable to maintain their increased employment level. There were 72 employees with combined salaries of \$4,300,000 in 2009. In 2010 there were 61 jobs with combined salaries of \$4,000,000. Further explanation can be found in a letter from Chuck Schiavello, Controller, dated February 16, 2012.
4. The company has not met their estimate for personal property investment. As indicated in the attached letter, the majority of the equipment was sold at the end of 2010.
5. The personal property tax abatement is scheduled to expire in tax year 2018 payable 2019. The final compliance review will take place in 2019.

Staff Recommendation:

Denial



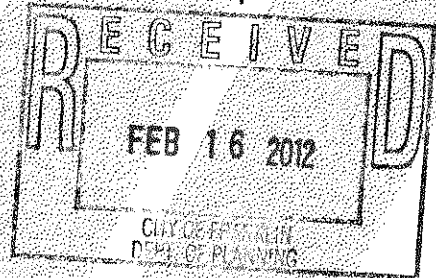
Casting Technologies Company
1450 Musicland Drive
Franklin, IN 46131
www.ctc-na.com

tel 317. 738. 0282
fax 317. 738. 0262

A Subsidiary of Compass Automotive Group

February 16, 2012

Ms. Krista Linke, Director
Dept. of Planning & Economic Development
70 E. Monroe Street
Franklin, IN 46131



Re: 2011 Tax Abatement Compliance for CTC Casting Technologies, Inc.

Dear Ms. Linke:

Enclosed, please find Form CF-1/PP (Compliance with Statement of Benefits) regarding compliance with the personal property tax abatements which were granted to CTC in 2008 under Franklin Common Council Resolution number 08-11.

As indicated on the attached documents, as well as prior property tax returns, our company has been successful in making virtually all of the capital investment which had been projected for this project. It should be noted, however, that the majority of this equipment has been sold (late 2010/2011) due to changing business conditions and the loss of business that this equipment supported. Our property tax returns properly reflect the cost basis reduction related to the sold equipment.

While we were successful in prior years regarding our full-time employment projections (retention and creation), we were unable to maintain increased employment levels due to the dramatic decline in the automotive market in 2008 and 2009. While the automotive market is currently in growth mode, it has still not fully recovered from the downturn that began in late 2008. As a result, we are employing less people today than we did at the start of the project.

We are hopeful that as the economy and automotive market continue to improve, we can increase our workforce in the coming years. Since we did originally achieve our plan in terms of capital investment and employment levels, we request that the City of Franklin look favorably upon our tax abatement compliance.



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Please review all of the enclosed documents and if you have any questions or concerns regarding this matter, please feel free to contact me at 317-738-7925.

Respectfully,

A handwritten signature in black ink, appearing to read "Chuck Schiavello", written in a cursive style.

Chuck Schiavello
Controller



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 CTC Casting Technologies, Inc.		
Address of taxpayer (number and street, city, state, and ZIP code) 1450 Commerce Parkway, Franklin, IN 46131		
Name of contact person Chuck Schlavella	Telephone number (317) 738-7925	
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY		
Name of designating body Common Council of the City of Franklin, Indiana		Resolution number 08-11
Location of property 1450 Commerce Parkway, Franklin, IN 46131	County Johnson	DLGF taxing district number 31
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired. 5 additional die cast machines with trim presses, jet melter, furnaces, launder system, etc. Recurring capital expenditures to support new and existing business.		Estimated starting date (month, day, year) 05/31/2008 Estimated completion date (month, day, year) 12/31/2008

SECTION 3 EMPLOYEES AND SALARIES		
EMPLOYEES AND SALARIES	AS ESTIMATED ON SB-1	ACTUAL
Current number of employees	110.00	57
Salaries	5,933,900.00	3,105,000.00
Number of employees retained	110.00	0
Salaries	5,933,900.00	0.00
Number of additional employees	40.00	0
Salaries	2,146,000.00	0.00

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	7,943,000.00							
Plus: Values of proposed project 3,010,000	4,700,000.00							
Less: Values of any property being replaced								
Net values upon completion of project	9,643,000.00							
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	8,416,000.00							
Plus: Values of proposed project	1,521,000.00							
Less: Values of any property being replaced								
Net values upon completion of project	9,937,000.00							

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 Controller	Date signed (month, day, year) 2/16/2012

CTC - Fixed Asset Detail - 2/28/2009 - ABATEMENT ADDITIONS

Asset Number	Category	Description	Date Acquired	Useful Life	Cost
123	Machinery & Equipment	EZ loader	12/15/2007	7	5,638
124	Machinery & Equipment	HPDC Machine #1	12/15/2007	7	350,000
125	Machinery & Equipment	HPDC Machine #2	12/15/2007	7	350,000
126	Machinery & Equipment	HPDC Machine #3	1/31/2008	7	458,957
127	Machinery & Equipment	SAAB 93 rights	1/31/2008	1.5	49,160
129	Machinery & Equipment	Date Stamp	3/8/2008	3	8,360
130	Machinery & Equipment	Drum Vacs for HPDC	7/31/2008	7	1,305
131	Machinery & Equipment	Chop saw VSC 5	9/1/2008	7	24,300
132	Machinery & Equipment	Vibe Tech VT10LR Vibratory Finisher	9/1/2008	7	17,800
133	Machinery & Equipment	SLR-250 Sprayer-30" Stroke-with 20" Bar Manifold	9/1/2008	7	37,620
134	Machinery & Equipment	VSC630 LOWER TIE BARS P/N # 155-65120-321-0	9/1/2008	7	28,025
135	Machinery & Equipment	RC Deburring tool P/N # 9150-RC-340	9/1/2008	7	18,886
136	Machinery & Equipment	HPDC Phase II Acquisition price for an existing Modern 2000 bhr stack melter. Modern Model...	9/1/2008	7	36,000
137	Machinery & Equipment	Complete refractory lining of six(6) die-cast holding furnaces utilizing Thermbond 5-L as the ho...	9/1/2008	7	59,200
138	Machinery & Equipment	Crane purchase and installation of XCS Single girder crane 5-Ton, Span 50'-6" for HPDC Machines ...	9/1/2008	7	43,860
139	Machinery & Equipment	Complete refractory relino of joimelt #4. All work as detailed by CTC specifications dated 4/9/08	9/1/2008	7	60,156
140	Machinery & Equipment	Complete refractory lining of six(6) die-cast holding furnaces utilizing Thermbond 5-L as the ho...	9/1/2008	7	101,500
		RESOLUTION 07-08 ABATEMENT ADDS			29,600
141	Machinery & Equipment	Capitalize HPDC Machine #4	9/1/2008	7	1,792,248
142	Machinery & Equipment	Capitalize HPDC Machine #5	9/1/2008	7	264,489
143	Machinery & Equipment	Capitalize HPDC Machine #6	9/1/2008	7	264,489
144	Machinery & Equipment	Capitalize HPDC Machine #7	9/1/2008	7	264,489
145	Machinery & Equipment	Capitalize HPDC Machine #8	9/1/2008	7	264,489
146	Machinery & Equipment	Capitalize HPDC Machine #10	12/31/2008	7	198,550
		RESOLUTION 08-11 ABATEMENT ADDS			1,520,997

CTC Casting Technologies, Inc.
 Job Creation / Retention Timetable
 Resolution 08-11

of Employees

12/31/2010	61	
1st Quarter 2010	(5)	
2nd Quarter 2010	-	
3rd Quarter 2010	(1)	
4th Quarter 2010	2	
	<u>57</u>	at 12/31/2011

of Employees

12/31/2010	61
12/31/2011	<u>57</u>
Net Employees Retained/(Lost) in 2011	<u>(4)</u>