



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 30, 2012
Re: Case C 2012-37: Cooper Tire

Summary:

1. On July 21st, 2008, the Franklin Common Council passed Resolution No. 2008-17, approving a 10-year tax abatement on personal and real property for CCD I-65 LLC (Cooper Tire) located at 500 Bartram Parkway.
2. Actual and estimated benefits, as projected for 2011:

	Estimated on SB-1	Actual in 2011	Difference
New Employees	60	39	-21
Salaries	\$2,311,920	\$1,083,068	-\$1,228,852
Average Hourly Wage	\$18.53	\$13.35	-\$5.17
Personal Property Improvements	\$3,000,000	\$3,766,665	\$766,665

3. The company has exceeded the estimated personal property investment indicated on their SB-1 Form.
4. Cooper Tires explains in the attached letter dated February 14, 2012 why they have not, and do not plan to employ 60 people. This issue was addressed in person with them last year through the Economic Development Commission and City Council. However, Plant Manager Kevin Pharr confirmed that they do employ an additional 87 temporary employees, for a total of 126 full time employees at this facility. These temporary employees work 40 hours per week and make \$12 per hour. This creates an additional \$2,171,520 in salaries for a total of \$3,254,588 in salaries at this facility per year.
5. The tax abatement is scheduled to expire in tax year 2018 payable 2019. The final compliance review will take place in 2019.

Staff Recommendation:

Approval



COOPER TIRE & RUBBER COMPANY
701 Lima Avenue • Findlay, OH 45840 • 419.423.1321

February 14, 2012

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



Re: Tax Abatement Compliance for Cooper Tire & Rubber Company

Dear Mrs. Linke:

Enclosed please find Form CF-1 (Compliance with Statement of Benefits) regarding compliance with the personal property tax abatements which were granted to Cooper Tire & Rubber Company in 2008 under Franklin Common Council Resolution No. 08-17.

As can be seen from reviewing the enclosed documents, our company has been highly successful in making all of the capital investments which had been projected for this project. The number of employees hired is lower than the original plan due to the employees bringing more efficiency to our operation than Cooper originally planned and as a result we need fewer employees to operate this warehouse.

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,

A handwritten signature in blue ink, appearing to read 'Jeffrey D. Lenhart'.

Jeffrey D. Lenhart
Manager, State & Local Tax

Enclosures

**COMPLIANCE WITH STATEMENT OF BENEFITS
PERSONAL PROPERTY**

State Form 51785 (R / 1-08)

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		Cooper Tire & Rubber Company						
Address of taxpayer (number and street, city, state, and ZIP code)		701 Lima Avenue, Findlay, OH 45840						
Name of contact person		Jeffrey D. Lenhart						
Telephone number		(419) 424-7311						
SECTION 2		LOCATION AND DESCRIPTION OF PROPERTY						
Name of designating body		Franklin Common Council						
Resolution number		08-17						
Location of property		500 Bartram Parkway, Franklin, IN 46131						
County		Johnson						
DLGF taxing district number		41018						
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired.		Estimated starting date (month, day, year)						
Racking systems for the storage of tires, automated picking system, dock equipment and improvements, tenant improvements, guard shack and general office property		05/01/2009						
		Estimated completion date (month, day, year)						
		05/31/2021						
SECTION 3		EMPLOYEES AND SALARIES						
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL					
Current number of employees								
Salaries								
Number of employees retained								
Salaries								
Number of additional employees		80.00	38					
Salaries		2,311,920.00	1,083,068.00					
SECTION 4		COST AND VALUES						
	MANUFACTURING EQUIPMENT	R & D EQUIPMENT	LOGST 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					3,000,000.00			
Less: Values of any property being replaced								
Net values upon completion of project					3,000,000.00			
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project								
Plus: Values of proposed project					3,766,665.00			
Less: Values of any property being replaced								
Net values upon completion of project					3,766,665.00			
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	Date signed (month, day, year)					
		Vice President	02/14/2012					

Cooper Tire & Rubber Company
 701 Lima Avenue
 Findlay, OH 45840

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

Proposed	Actual Amount of Investment as of 6/30/08	Proposed Amount of Total Investment by 12/31/10	Actual Amount of Investment Added During Year (by Qtr)	9/30/2011	12/31/2011	Actual Total Investment 12/31/11	Difference Between Actual and Proposed Investment
Machinery & Equipment	\$3,000,000	\$3,691,683	3/31/2011 \$0 6/30/2011 \$0 9/30/2011 \$74,962	\$0	\$0	\$3,766,665	\$766,665

Cooper Tire & Rubber Company
 701 Lima Avenue
 Findlay, OH 45840

Attachment to Form CF-1 (Compliance with Statement of Benefits):
 Job Creation Schedule by Quarter

Actual # of Employees as of 6/30/08 (from SB-1)	Proposed # of Employees as of 12/31/10 (from SB-1)	Actual # of Employees Added During Year (by Qtr)	3/31/2010	6/30/2010	9/30/2010	12/31/2010	Actual # of Employees as of 12/31/2010	Difference Between Actual and Proposed # of Employees
60	31		0	0	0	0	28	(34)

Cooper Tire & Rubber Company
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Findlay, OH 45840

Attachment for Form CF-1 (Compliance with Statement of Benefits)
Comments Concerning Employees Hired

The number of employees hired is lower than the original plan due to the employees that were originally hired brought more efficiency to our operation than Cooper originally planned and as a result we need fewer employees to operate this warehouse.

The original projected number of new hires was 60; however, due to the efficiency of the employees hired to operate the facility we have been able to operate with only 26 employees.

It is our desire and request that the City of Franklin grant our tax abatement.