



CITY OF FRANKLIN

DEPARTMENT OF PLANNING & ECONOMIC DEVELOPMENT

Memorandum

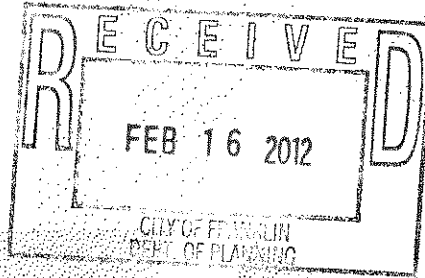
To: City of Franklin Economic Development Commission
From: Krista Linke, Director of Planning & Economic Development
Date: March 30, 2012
Re: Case C 2012-15: CTC Casting Technologies

Summary:

1. On August 27th, 2007, the Franklin Common Council passed Resolution No. 2007-08, approving a 7-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 2010	Difference
Employees Retained	85	61	(24)
Salaries	\$ 5,050,000	\$ 4,000,000	\$ (1,050,000)
New Employees	42	0	(42)
Salaries	\$ 1,801,000	\$ -	\$ (1,801,000)
Total Employees	127	61	(66)
Total Salaries	\$ 6,851,000	\$ 4,000,000	\$ (2,851,000)
Average Hourly Salaries	\$ 25.94	\$ 31.53	\$ 5.59
Personal Property Improvements	\$ 1,770,000	\$ 1,732,000	\$ (38,000)

3. In 2008 the company exceeded their estimate provided on their SB-1 Form for new jobs created. They retained all 85 and created an additional 50 jobs. In 2009 the company was unable to maintain their increased employment level. There were 72 total employees in 2009. In 2010 that number had decreased to 61 jobs and \$4,000,000 in total salaries. For further explanation see the attached letter from Chuck Schiavello dated February 16, 2012.
4. The company has closely met their estimate for personal property improvements.
5. The personal property tax abatement is scheduled to expire in tax year 2014 payable 2015. The final compliance review will take place in 2015.
6. After conversations with Controller Chuck Schiavello, CTC Casting Technologies respectfully requests that this abatement no longer be granted, due to the small amount of equipment that remains.



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: 2012 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 2007 under Franklin Common Council Resolution number 07-08.

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 Schlavetto	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 07-08
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. Die cast machines with trim presses, jet melter, furnaces and launder system, reverb machine, metal pumps, etc.		Estimated starting date (month, day, year) 10/01/2007 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	85.00	57
Salaries	5,050,000.00	3,105,000.00
Number of employees retained	85.00	0
Salaries	5,050,000.00	0.00
Number of additional employees	42.00	0
Salaries	1,801,000.00	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	6,173,000.00							
Plus: Values of proposed project	1,770,000.00							
Less: Values of any property being replaced								
Net values upon completion of project	7,943,000.00							
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	6,684,000.00							
Plus: Values of proposed project	1,732,000.00							
Less: Values of any property being replaced								
Net values upon completion of project	8,416,000.00							

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
123	Machinery & Equipment
124	Machinery & Equipment
125	Machinery & Equipment
126	Machinery & Equipment
127	Machinery & Equipment
128	Machinery & Equipment
129	Machinery & Equipment
130	Machinery & Equipment
131	Machinery & Equipment
132	Machinery & Equipment
133	Machinery & Equipment
134	Machinery & Equipment
135	Machinery & Equipment
136	Machinery & Equipment
137	Machinery & Equipment
138	Machinery & Equipment
139	Machinery & Equipment
140	Machinery & Equipment
141	Machinery & Equipment
142	Machinery & Equipment
143	Machinery & Equipment
144	Machinery & Equipment
145	Machinery & Equipment
146	Machinery & Equipment

EZ loader
 HPDC Machine #1
 HPDC Machine #2
 HPDC Machine #3
 SAAB 93 rights
 Date Stamp
 Drum Vacs for HPDC
 Chop saw VSC 5
 Vibe Tech VT10LR Vibratory Finisher
 SLR-250 Sprayer-38" Stroke with 20" Bar Manifold
 VSC630 LOWER TIE BARS P/N # 155-85120.321-0
 RC Deburring tool P/N # 9150-RC-340
 HPDC Phase II Acquisition price for an existing Modern 2000 lb/hr stack melter. Modern Model...
 Complete refractory lining of six(6) die-cast holding furnaces utilizing Thermobond 5-L as the ho...
 Complete refractory lining of approximately 102' of aluminum launder utilizing Minteq Armoflow ...
 Crane purchase and installation of XCS Single girder crane 5-Ton, Span 50'-6" for HPDC Machines ...
 Complete refractory relins of Jetmet #4. All work as detailed by CTC specifications dated 4/8/08
 Complete refractory lining of six(6) die-cast holding furnaces utilizing Thermobond 5-L as the ho...

RESOLUTION 07-08 ABATEMENT ADDS

Capitalize HPDC Machine #4
 Capitalize HPDC Machine #5
 Capitalize HPDC Machine #6
 Capitalize HPDC Machine #7
 Capitalize HPDC Machine #8
 Capitalize HPDC Machine #10

RESOLUTION 08-11 ABATEMENT ADDS

Date Acquired	Useful Life	Cost
12/15/2007	7	5,639
12/15/2007	7	360,000
12/15/2007	7	360,000
1/31/2008	7	456,957
1/31/2008	15	49,160
3/6/2008	3	8,350
7/31/2008	7	1,305
9/1/2008	7	24,300
9/1/2008	7	17,900
9/1/2008	7	18,686
9/1/2008	7	23,025
9/1/2008	7	37,620
9/1/2008	7	85,000
9/1/2008	7	89,200
9/1/2008	7	43,860
9/1/2008	7	60,156
9/1/2008	7	101,500
9/1/2008	7	29,000
9/1/2008	7	264,489
9/1/2008	7	264,489
9/1/2008	7	264,489
9/1/2008	7	264,489
12/31/2008	7	198,550
		<u>1,520,997</u>

1,732,248

CTC Casting Technologies, Inc.
Job Creation / Retention Timetable
Resolution 07-08

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

	# of Employees
12/31/2010	61
12/31/2011	57
Net Employees Retained/(Lost) in 2011	(4)