



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: April 2, 2012
Re: Case C 2012-31: Caterpillar Reman Powertrain Indiana LLC

Summary:

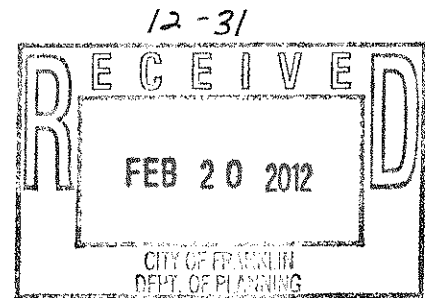
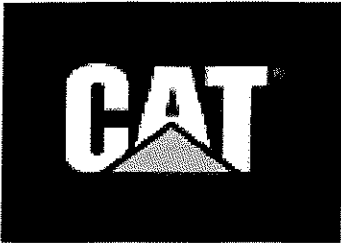
1. On September 20th, 2010, the Franklin Common Council passed Resolution No. 2010-15, approving a 10-year tax abatement with a 5% economic development fee on personal property for Caterpillar Reman Powertrain Indiana, LLC, located at 751 International Drive.
2. Actual and estimated benefits, as projected for 2011:

	Estimated on SB-1	Actual in 2011	Difference
Employees Retained	338	352	14
Salaries	\$10,278,445	\$10,740,787	\$462,342
New Employees	0	62	62
Salaries	\$0	\$1,891,843	\$1,891,843
Total Employees	338	414	76
Total Salaries	\$10,278,445	\$12,632,630	\$2,354,185
Average Hourly Salaries	\$14.62	\$14.67	\$0.05
Personal Property Improvements	\$13,568,000	\$5,868,066	-\$7,699,934

3. The company estimated in their application that they would spend \$7,106,000 on equipment in 2010 and 2011. They have reported spending \$5,868,066 total at the end of 2011. They were given until the end of 2013 to purchase all of the equipment. They indicated in their application that they would purchase \$3,276,000 in 2012 and \$3,500,000 in 2013.
4. The company has exceeded their number of employees retained as well as hired an additional number of employees. As indicated in the chart above, they have 76 more employees than originally estimated on their SB-1 Form. The average hourly salary is in line with what was estimated.
5. The tax abatement is scheduled to expire in tax year 2010 payable 2011. This should be the final compliance review.

Staff Recommendation:

Approval



February 20, 2012

Ms. Krista Linke, AICP
Department of Planning & Economic Development
70 E. Monroe Street
Franklin, Indiana 46131

Re: Tax Abatement Compliance for Caterpillar Reman Powertrain Indiana LLC.

Dear Ms. Linke:

Enclosed please find Form CF-1 (Compliance with Statement of Benefits) regarding compliance with the personal property tax abatements which were granted to Caterpillar Reman Powertrain Indiana LLC in 2010 under Franklin Common Council Resolution No. 2010-16.

As can be seen from reviewing the enclosed documents, our company has been highly successful in a) making capital investment which had been projected for the past year, and b) retaining the full complement of jobs which had been proposed in the Statement of Benefits (From SB-1) which was approved on October 4, 2010.

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 cursive script, reading "Lee Anspaugh".

Lee Anspaugh
Accounting Manager
Caterpillar Reman Powertrain Indiana

Enclosures

**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 Caterpillar Reman Powertrain Indiana LLC								
Address of taxpayer (number and street, city, state, and ZIP code) 751 International Drive								
Name of contact person Lee Anspaugh						Telephone number (317) 346-3211		
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY								
Name of designating body Franklin Common Council						Resolution number 2010-15		
Location of property same as above				County Johnson		DLGF taxing district number 41009		
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) 06/10/2010		
						Estimated completion date (month, day, year) 12/31/2013		
SECTION 3 EMPLOYEES AND SALARIES								
EMPLOYEES AND SALARIES						AS ESTIMATED ON SB-1		ACTUAL
Current number of employees						352.00 338		414
Salaries						10,704,179.00 10,278,445		12,632,630.40
Number of employees retained						352.00 338		352
Salaries						10,704,179.00 10,278,445		10,740,787.20
Number of additional employees						0.00		62
Salaries						0.00		1,891,843.20
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	12,613,870.00	4,946,825.00						
Plus: Values of proposed project	13,568,000.00	5,427,200.00						
Less: Values of any property being replaced								
Net values upon completion of project	26,181,870.00	10,374,025.00						
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	12,613,870.00	4,946,825.00						
Plus: Values of proposed project	5,868,066.79	629,963.71						
Less: Values of any property being replaced								
Net values upon completion of project	18,481,936.70	5,712,418.00						
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 Accounting Manager		Date signed (month, day, year) 02/20/2012		

System #	Description	Acquired Value	Asset #	Location	Class	Prop Tax	PP Tax Year	In Svc Date	PR	Depr Method	Dept	Vendor	Abatement
001395	EPIC ADA/M 4 input readout	7,504.00		fpp	ME	Pool 2	2012	1/1/2012	P	SLMM	Small Components	Edmunds Gages	Abatement 2010-15
001394	Disassembly line roller conveyor	22,923.00		fpp	ME	Pool 2	2012	1/1/2012	P	YSMM	Teardown	Smock Material Handling	Abatement 2010-15
001390	Lantech Q300XT	14,280.98		fpp	ME	Pool 2	2012	1/1/2012	P	YSMM	FOR Warehouse	Short Packaging Group	Abatement 2010-15
001389	Quincy compressor air dryer	18,445.00		fpp	ME	Pool 2	2012	1/1/2012	P	YSMM	Compressor Room	Brehod Electric	Abatement 2010-15
001388	Refurbished cuda washer	2,495.00		fpp	ME	Pool 2	2012	1/1/2012	P	YSMM	Turbo Teardown	Midwest Water Works	Abatement 2010-15
001387	Aikola 4238 wash bay pressure washer	4,753.14		fpp	ME	Pool 2	2012	1/1/2012	P	YSMM	Detrit	Efficiency Cleaning Syste	Abatement 2010-15
001386	Fentech bench type hydraulic press	3,315.00		fpp	ME	Pool 2	2012	1/1/2012	P	YSMM	V8 & -16 HPP Assembly	Efficiency Cleaning Syste	Abatement 2010-15
001385	Sveco vibro energy finishing mill	11,822.00		fpp	ME	Pool 2	2012	1/1/2012	P	YSMM	Turbo	A & B Deburring	Abatement 2010-15
001384	Stylus marking system	8,021.75		fpp	ME	Pool 2	2012	1/1/2012	P	YSMM	Small Components	Technifor, INC	Abatement 2010-15
001381	Leak Tester	48,385.60		fpp	ME	Pool 2	2012	12/1/2011	P	YSMM	TCT	Leak Master, Inc.	Abatement 2010-15
001374	TCT Assembly Cart	6,549.58		fpp	ME	Pool 2	2012	12/1/2011	P	YSMM	TCT	AAA Metal Products	Abatement 2010-15
001373	Core Balancer	297,708.14		fpp	ME	Pool 2	2012	12/1/2011	P	YSMM	TCT	American Hoffman	Abatement 2010-15
001372	Bridge Hoist System	39,239.60		fpp	ME	Pool 2	2012	12/1/2011	P	YSMM	TCT	Gorbel	Abatement 2010-15
001368	Component Balancer	111,599.42		fpp	ME	Pool 2	2012	12/1/2011	P	YSMM	TCT	American Hoffman	Abatement 2010-15
001367	Model H2O Cuda Washer	19,753.20		fpp	ME	Pool 2	2012	12/1/2011	P	YSMM	TCT	Cuda	Abatement 2010-15
001364	DC Pro Hoist	3,087.20		fpp	ME	Pool 2	2012	12/1/2011	P	YSMM	TCT	Crane America	Abatement 2010-15
001363	DC Pro Hoist	3,087.20		fpp	ME	Pool 2	2012	12/1/2011	P	YSMM	TCT	Crane America	Abatement 2010-15
001358	Grey Mill Tank Washer	27,318.68		fpp	ME	Pool 2	2012	12/1/2011	P	YSMM	Teardown	Grey Mill	Abatement 2010-15
001356	Grey Mill Tank Washer	32,958.85		fpp	ME	Pool 2	2012	12/1/2011	P	YSMM	Teardown	Grey Mill	Abatement 2010-15
001355	Grey Mill Ultra-sonic washer	2,500.00		fpp	ME	Pool 2	2012	12/1/2011	P	YSMM	Teardown	Grey Mill	Abatement 2010-15
001354	Sumen Hone	19,160.04		fpp	ME	Pool 2	2012	12/1/2011	P	SLMM	6.4L Con Rod	Sumen Hone	Abatement 2010-15
001353	Cleaning Enclosure	2,328.00		fpp	ME	Pool 2	2012	12/1/2011	P	YSMM	6.4L Assembly	Simplex Strip Doors Inc.	Abatement 2010-15
001352	Demaq 275LB Hoist	2,328.00		fpp	ME	Pool 2	2012	12/1/2011	P	YSMM	6.4L Assembly	Crane America	Abatement 2010-15
001351	250LB Gorbel Monorail Bridge Addition	5,117.96		fpp	ME	Pool 2	2012	12/1/2011	P	YSMM	6.4L Assembly	Gorbel	Abatement 2010-15
001350	Vlet Slurry Blaster	59,492.50		fpp	ME	Pool 2	2012	12/1/2011	P	YSMM	Teardown	Wet Technologies	Abatement 2010-15
001347	DC Pro Hoist	2,887.00		fpp	ME	Pool 2	2012	11/1/2011	P	YSMM	Warranty	Crane America	Abatement 2010-15
001346	Harrington 250LB Hoist	2,096.00		fpp	ME	Pool 2	2012	9/1/2011	P	YSMM	6.4L assembly	Crane America	Abatement 2010-15
001342	Cuda washer, 2216 automat parts washer	5,725.84		fpp	ME	Pool 2	2012	8/1/2011	P	YSMM	6.4L assembly	Water works midwest LLC	Abatement 2010-15
001341	6.4L Monorail Crane System	17,518.00		fpp	ME	Pool 2	2012	8/1/2011	P	YSMM	6.4L assembly	Crane America	Abatement 2010-15
001340	250LB Teardown Hoist	2,660.00		fpp	ME	Pool 2	2012	8/1/2011	P	YSMM	Teardown	Crane America	Abatement 2010-15
001337	Torque Arm station#5 Heads 400NM w/out Socket Tray	19,388.74		fpp	ME	Pool 2	2012	6/1/2011	P	YSMM	6.4L Assembly	Eldo Sales & Engineering	Abatement 2010-15
001338	Torque Arm Smart Arm(Heads)	35,987.00		fpp	ME	Pool 2	2012	6/1/2011	P	YSMM	6.4L Assembly	Eldo Sales & Engineering	Abatement 2010-15
001336	Torque Arm Station #3 Rod Cap	37,124.00		fpp	ME	Pool 2	2012	6/1/2011	P	YSMM	6.4L Assembly	Eldo Sales & Engineering	Abatement 2010-15
001335	Torque Arm Reaction Arm(High Torque)	14,240.00		fpp	ME	Pool 2	2012	6/1/2011	P	YSMM	6.4L Assembly	Eldo Sales & Engineering	Abatement 2010-15
001334	Torque Arm Smart Arm(Rods)	37,100.00		fpp	ME	Pool 2	2012	6/1/2011	P	YSMM	6.4L Assembly	Eldo Sales & Engineering	Abatement 2010-15
001333	Torque Arm ST Wrench 25-35NM	20,186.00		fpp	ME	Pool 2	2012	6/1/2011	P	YSMM	6.4L Assembly	Eldo Sales & Engineering	Abatement 2010-15
001332	Torque Arm Reaction Arm Main	15,060.00		fpp	ME	Pool 2	2012	6/1/2011	P	YSMM	6.4L Assembly	Eldo Sales & Engineering	Abatement 2010-15
001331	Torque Arm Station #8 250NM	21,127.00		fpp	ME	Pool 2	2012	6/1/2011	P	YSMM	6.4L Assembly	Eldo Sales & Engineering	Abatement 2010-15
001330	Torque Arm Cap 400NM w/out Socket Tray	19,338.74		fpp	ME	Pool 2	2012	6/1/2011	P	YSMM	6.4L Assembly	Eldo Sales & Engineering	Abatement 2010-15
001329	Complete 500 HP Dynamo-Meter	245,873.70		fpp	ME	Pool 2	2012	6/1/2011	P	YSMM	Dyno Cell D	Dyno One Inc	Abatement 2010-15
001327	Dyno D Overhead Crane	9,828.23		fpp	ME	Pool 2	2012	6/1/2011	P	YSMM	Machining	Crane America	Abatement 2010-15
001324	2 Optional 2 Speed Hoist	37,828.00		fpp	ME	Pool 2	2012	6/1/2011	P	YSMM	Machining	Crane America	Abatement 2010-15
001323	Obelin Coolant Filtration System	226,463.00		fpp	ME	Pool 2	2012	6/1/2011	P	YSMM	Machining	Gehring L.P.	Abatement 2010-15
001322	Industrial Vent System-Mist Collector	8,500.00		fpp	ME	Pool 2	2012	6/1/2011	P	YSMM	Machining	Gehring L.P.	Abatement 2010-15
001321	Gehring Hone Cylinder Bore Module	1,657,061.00		fpp	ME	Pool 2	2012	6/1/2011	P	YSMM	Machining	Gehring L.P.	Abatement 2010-15
001320	6.4L Leak Tester 600DP Digital Series	56,923.40		fpp	ME	Pool 2	2012	6/1/2011	P	YSMM	6.4L Assembly	Leakmaster INC	Abatement 2010-15
001315	Leak Tester 6L/6.4L Reman Head	8,580.00		fpp	ME	Pool 2	2012	6/1/2011	P	YSMM	6L/6.4L Reman Heads	Leakmaster INC	Abatement 2010-15
001309	Air Compressor	39,984.19		fpp	ME	Pool 2	2012	4/1/2011	P	YSMM	Bore Spray Cell	Tri-State Compressed Air	Abatement 2010-15
001308	Top Coat 1 Power Supply	349,328.55		fpp	ME	Pool 2	2012	4/1/2011	P	YSMM	Bore Spray Cell	Flame-Spray Industries IN	Abatement 2010-15
001307	Top Coat 2 Power Supply	349,328.55		fpp	ME	Pool 2	2012	4/1/2011	P	YSMM	Bore Spray Cell	Flame-Spray Industries IN	Abatement 2010-15
001306	Bond Coat 1 Power Supply	349,328.55		fpp	ME	Pool 2	2012	4/1/2011	P	YSMM	Bore Spray Cell	Flame-Spray Industries IN	Abatement 2010-15
001305	Fanuc Robot Bond Coat	59,453.18		fpp	ME	Pool 2	2012	4/1/2011	P	YSMM	Bore Spray Cell	Fanuc Robotics America IN	Abatement 2010-15
001304	Fanuc Robot Top Coat 2	59,453.18		fpp	ME	Pool 2	2012	4/1/2011	P	YSMM	Bore Spray Cell	Fanuc Robotics America IN	Abatement 2010-15
001303	Fanuc Robot Top Coat 2	59,453.18		fpp	ME	Pool 2	2012	4/1/2011	P	YSMM	Bore Spray Cell	Fanuc Robotics America IN	Abatement 2010-15
001301	DI/ID Head Leak Tester	36,748.73		fpp	ME	Pool 2	2012	4/1/2011	P	YSMM	DI/ID Machining	Leakmaster INC	Abatement 2010-15
001299	Harrington 2 Ton Hoist	3,599.00		fpp	ME	Pool 2	2012	3/4/2011	P	YSMM	Greenwood Warehouse	Crane America	Abatement 2010-15
001297	Piston Pin Retaining Clip Installation	4,327.00		fpp	ME	Pool 2	2012	3/4/2011	P	YSMM	DI	Crane America	Abatement 2010-15
001296	Inlake Flushing Washer	56,820.00		fpp	ME	Pool 2	2012	3/4/2011	P	YSMM	Teardown	RG Hanson Co. Inc	Abatement 2010-15

System #	Description	Acquired Value	Asset #	Location	Class	Prop Tax	PP Tax Year	In Svc Date	PR	Depr Method	Dept	Vendor	Abatement
001295	Front Load Parts Washer	24,390.00		fpp	ME	Pool 2	2012	3/4/2011	P	YSMM	Teardown	RG Hanson Co. Inc	Abatement 2010-15
001294	Front Load Parts Washer	24,390.00		fpp	ME	Pool 2	2012	3/4/2011	P	YSMM	Teardown	RG Hanson Co. Inc	Abatement 2010-15
001293	Front Load Parts Washer	24,390.00		fpp	ME	Pool 2	2012	3/4/2011	P	YSMM	Teardown	RG Hanson Co. Inc	Abatement 2010-15
001292	Gobel Jib Crane	2,761.00		fpp	ME	Pool 2	2012	3/4/2011	P	YSMM	IDI	Crane America	Abatement 2010-15
001291	Gobel Jib Crane	2,761.00		fpp	ME	Pool 2	2012	3/4/2011	P	YSMM	IDI	Crane America	Abatement 2010-15
001290	IDI Assembly Build Cart w/Mounting Plates	4,111.25		fpp	ME	Pool 2	2012	3/4/2011	P	YSMM	IDI	Basin's Custom Fabricati	Abatement 2010-15
001289	IDI Assembly Build Cart w/Mounting Plates	4,111.25		fpp	ME	Pool 2	2012	3/4/2011	P	YSMM	IDI	Basin's Custom Fabricati	Abatement 2010-15
001288	IDI Assembly Build Cart w/Mounting Plates	4,111.25		fpp	ME	Pool 2	2012	3/4/2011	P	YSMM	IDI	Basin's Custom Fabricati	Abatement 2010-15
001287	IDI Assembly Build Cart w/Mounting Plates	4,111.25		fpp	ME	Pool 2	2012	3/4/2011	P	YSMM	IDI	Basin's Custom Fabricati	Abatement 2010-15
Machinery Total		4,760,721.08											
001376	Bearing Press	814.77		fpp	T	103-T	2012	12/1/2011	P	YSMM	TCT		Abatement 2010-15
001375	Bearing Heater	3,132.90		fpp	T	103-T	2012	12/1/2011	P	YSMM	TCT		Abatement 2010-15
001371	Material Storage (Containers & Racking)	39,139.54		fpp	T	103-T	2012	12/1/2011	P	YSMM	TCT		Abatement 2010-15
001366	Gauging	22,046.61		fpp	T	103-T	2012	12/1/2011	P	YSMM	TCT		Abatement 2010-15
001365	TCT Tooling	27,613.81		fpp	T	103-T	2012	12/1/2011	P	YSMM	TCT		Abatement 2010-15
001362	Particle Counter	4,762.39		fpp	T	103-T	2012	12/1/2011	P	YSMM	Quality	Grainder	Abatement 2010-15
001361	Sleeve Puller	14,554.40		fpp	T	103-T	2012	12/1/2011	P	YSMM	Teardown	H&M Tool & Dia	Abatement 2010-15
001360	Push Rod Gauge	2,456.14		fpp	T	103-T	2012	12/1/2011	P	YSMM	Teardown Cell4	R.L. Guimont Company Inc.	Abatement 2010-15
001359	Material Handling	57,327.88		fpp	T	103-T	2012	12/1/2011	P	YSMM	6.4L Assembly		Abatement 2010-15
001357	Timing Gear Tester	6,179.33		fpp	T	103-T	2012	12/1/2011	P	YSMM	6.4L Assembly		Abatement 2010-15
001326	6.0L Gehring Hone Tools 2 Sets	115,682.00		fpp	T	103-T	2012	12/1/2011	P	YSMM	Machining	M Q Automation	Abatement 2010-15
001325	7.3L/NGD Gehring Hone Tools 2 Sets	115,682.00		fpp	T	103-T	2012	6/1/2011	P	YSMM	Machining	Gehring L.P	Abatement 2010-15
001319	6.4L Gehring Hone Tool	127,876.00		fpp	T	103-T	2012	6/1/2011	P	YSMM	Machining	Gehring L.P	Abatement 2010-15
001318	6.4L Torque Equipment	15,859.40		fpp	T	103-T	2012	6/1/2011	P	YSMM	Machining	Gehring L.P	Abatement 2010-15
001312	6.4L Machining	21,827.41		fpp	T	103-T	2012	4/1/2011	P	YSMM	Small Block Machining		Abatement 2010-15
001311	Tooling for Bore Spray	421,812.72		fpp	T	103-T	2012	4/1/2011	P	YSMM	Bore Spray Cell		Abatement 2010-15
001298	Tooling for IDI	17,688.36		fpp	T	103-T	2012	3/4/2011	P	YSMM	IDI		Abatement 2010-15
001370	Wireless torque tool and controller	9,767.00		fpp	T	103-T	2012	12/1/2011	P	YSMM	TCT	AtlasCOPCO	Abatement 2010-15
001369	Torque arm and tooling	53,313.05		fpp	T	103-T	2012	12/1/2011	P	YSMM	TCT	AtlasCOPCO	Abatement 2010-15
001343	6.4L Connecting Rod Gauging	29,980.00		fpp	T	103-T	2012	8/1/2011	P	YSMM	6.4L Machining	Detroit percision tool	Abatement 2010-15
Tooling Total		1,107,345.71											
Grand Total		5,868,066.79											

Caterpillar Reman Powertrain Indiana

Resolution 2010-15

Machinery Investment Schedule

	Actual Amount of Investment (From SB-1) as of 06/2010	Proposed Amount of total Investment	3/31/2011	6/30/2011	9/30/2011	12/31/2011	Actual Total Amount of Investment as of 12/31/10	Difference Between Actual and Proposed Amount of Investment
M&E	\$ 12,613,870	\$13,568,000	153556 \$	3,778,014 \$	57,990 \$	1,876,507 \$	5,868,067 \$	7,699,933

Headcount Addition Schedule

	Actual Amount of Investment (From SB-1) as of 06/2010	Proposed Total No. of Employees	3/31/2011	6/30/2011	9/30/2011	12/31/2011	Actual total No. of Employees Added for Project	Difference Between Actual and Proposed Number of Employees
Headcount	352	0	0	0	0	62	62	62