



# CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

## Memorandum

**To:** City of Franklin Economic Development Commission  
**From:** Krista Linke, Community Development Director  
**Date:** April 2, 2013  
**Re:** Case C 2013-38: CTC Casting Technologies

### Summary:

1. On January 17<sup>th</sup>, 2012, the Franklin Common Council passed Resolution Number 2012-02, 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 2012:

|                                | Estimated on SB-1 | Actual in 2012 | Difference  |
|--------------------------------|-------------------|----------------|-------------|
| Employees Retained             | 57                | 57             | 0           |
| Salaries                       | \$3,150,000       | \$3,200,000    | \$50,000    |
| New Employees                  | 25                | 47             | 22          |
| Salaries                       | \$660,000         | \$1,700,000    | \$1,040,000 |
| Total Employees                | 82                | 104            | 22          |
| Total Salaries                 | \$3,810,000       | \$4,900,000    | \$1,090,000 |
| Average Hourly Salaries        | \$22.34           | \$22.65        | \$0.31      |
| Personal Property Improvements | \$1,850,000       | \$2,134,607    | \$284,607   |

3. As noted in a letter from Chuck Schiavello, Controller for CTC Casting, two abatements were voluntarily rescinded (Resolution Number 2007-08 and Resolution Number 2008-11), and were replaced with Resolution Number 2012-02.
4. The company has greatly exceeded the number of new employees and the average hourly salaries for all employees are slightly higher than estimated.
5. The company has exceeded their estimate for personal property investment.
6. 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:

Approval



Casting Technologies Company  
1450 Musicland Drive  
Franklin, IN 46131  
[www.ctc-na.com](http://www.ctc-na.com)

tel 317. 738. 0282

fax 317. 738. 0262

*A Subsidiary of Compass Automotive Group*

February 20, 2013

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

Re: Annual 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 2012 under Franklin Common Council Resolution number 12-02. Please note that CTC is not filing any compliance paperwork for Resolution numbers 08-11 and 07-08 as those abatements were voluntarily rescinded by CTC upon issuance of abatement 12-02.

As indicated on the attached documents, our company has exceeded the capital investment projections for this project. Project spending to date of \$2.135 million is approximately \$800,000 higher than the projected spending of \$1.350 million.

CTC was also successful in exceeding head count projections. In addition to retaining our 57 existing employees, we were able to add 47 new employees in 2012. The increase of 47 employees exceeds our projected increase by 22 employees and brings our total head count to 104.

Again, I would like to thank the City of Franklin for approving this tax abatement and I look forward to working with the City in the future. Please feel free to contact me at 317-738-7925 should you have any questions on the enclosed documents.

Respectfully,

A handwritten signature in black ink, appearing to read "CSchiavello", is written over a horizontal line.

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<br>CTC Casting Technologies, Inc.                                                                                                                                                                                                                                                                                         |                                    |                                                                                                                        |
| Address of taxpayer (number and street, city, state, and ZIP code)<br>1450 Commerce Parkway, Franklin, IN 46131                                                                                                                                                                                                                            |                                    |                                                                                                                        |
| Name of contact person<br>Chuck Schiavello                                                                                                                                                                                                                                                                                                 | Telephone number<br>(317) 738-7925 |                                                                                                                        |
| SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY                                                                                                                                                                                                                                                                                             |                                    |                                                                                                                        |
| Name of designating body<br>Common Council of the City of Franklin, Indiana                                                                                                                                                                                                                                                                |                                    | Resolution number<br>12-02                                                                                             |
| Location of property<br>1450 Commerce Parkway, Franklin, IN 46131                                                                                                                                                                                                                                                                          | County<br>Johnson                  | DLGF taxing district number<br>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.<br>Installation of melt equipment, 3 VRC/PRC casting machines, robotic equipment, finishing equipment, x-ray equipment, and inspection equipment. |                                    | Estimated starting date (month, day, year)<br>01/01/2012<br>Estimated completion date (month, day, year)<br>03/31/2013 |

| SECTION 3 EMPLOYEES AND SALARIES |                      |              |
|----------------------------------|----------------------|--------------|
| EMPLOYEES AND SALARIES           | AS ESTIMATED ON SB-1 | ACTUAL       |
| Current number of employees      | 82.00                | 104          |
| Salaries                         | 3,810,000.00         | 4,900,000.00 |
| Number of employees retained     | 57.00                | 57           |
| Salaries                         | 3,150,000.00         | 3,200,000.00 |
| Number of additional employees   | 25.00                | 47           |
| Salaries                         | 660,000.00           | 1,700,000.00 |

| SECTION 4 COST AND VALUES                   |                         |                |                 |                |                       |                |              |                |
|---------------------------------------------|-------------------------|----------------|-----------------|----------------|-----------------------|----------------|--------------|----------------|
| AS ESTIMATED ON SB-1                        | MANUFACTURING EQUIPMENT |                | R & D EQUIPMENT |                | LOGIST DIST EQUIPMENT |                | IT EQUIPMENT |                |
|                                             | COST                    | ASSESSED VALUE | COST            | ASSESSED VALUE | COST                  | ASSESSED VALUE | COST         | ASSESSED VALUE |
| Values before project                       | 7,843,000.00            |                |                 |                |                       |                |              |                |
| Plus: Values of proposed project            | 1,350,000.00            |                |                 |                |                       |                |              |                |
| Less: Values of any property being replaced |                         |                |                 |                |                       |                |              |                |
| Net values upon completion of project       | 9,193,000.00            |                |                 |                |                       |                |              |                |
| ACTUAL                                      | COST                    | ASSESSED VALUE | COST            | ASSESSED VALUE | COST                  | ASSESSED VALUE | COST         | ASSESSED VALUE |
| Values before project                       | 8,368,000.00            |                |                 |                |                       |                |              |                |
| Plus: Values of proposed project            | 2,134,607.00            |                |                 |                |                       |                |              |                |
| Less: Values of any property being replaced | 0.00                    |                |                 |                |                       |                |              |                |
| Net values upon completion of project       | 10,502,607.00           |                |                 |                |                       |                |              |                |

**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<br>                            | Title<br>Controller | Date signed (month, day, year)<br>3/20/2013 |

**CTC Casting Technologies, Inc.**  
**Job Creation / Retention Timetable**  
**Resolution 12-02**

|                         | # of Employees |
|-------------------------|----------------|
| 12/31/2011              | 57             |
| <i>Employees Added:</i> |                |
| 1st Quarter 2012        | 12             |
| 2nd Quarter 2012        | 12             |
| 3rd Quarter 2012        | 18             |
| 4th Quarter 2012        | 5              |
|                         | <u>104</u>     |
|                         | at 12/31/2012  |

|                                       | # of Employees |
|---------------------------------------|----------------|
| 12/31/2011                            | 57             |
| 12/31/2012                            | 104            |
| Change in number of employees in 2012 | 47             |