AGENDA RESERVATION REQUEST

CITY OF FRANKLIN
COMMON COUNCIL
Please type or print

Date Submitted:	August 13, 2013	**Meeting Date:**	August 19, 2013
Contact Information:			
Requested by:	Krista Linke		
On Behalf of Organization or Individual:	CTC04, LLC		
Telephone:	317-736-3631		
Email address:	klinke@franklin.in.gov		
Mailing Address:	70 E. Monroe St., Franklin, IN 46131		
Describe Request:			
Resolution 2013-24			
Real Property Tax Abatement Request			
List Supporting Documentation Provided:			
Memo	Sample Property Tax Tables		
Staff Report	Employment Phase-In Schedule		
Form SB-1 / Real Property	Tax Abatement Worksheet		
Tax Abatement Application	Resolution 2013-24		
Who will present the request?			
Name:	Krista Linke/Joel Fritz	**Telephone:**	317-736-3631

The Franklin City Council meets on the 1st and 3rd Monday of each month at 6:30 p.m. in the Council Chambers of City Hall located at 70 E. Monroe Street. In order for an individual and/or agency to be considered for new business on the agenda, this reservation form and supporting documents must be received in the Mayor's office no later than 12:00 p.m. on the Wednesday before the meeting.

City of Franklin
Community Development Department

Memorandum

To: City Council

From: Krista Linke, Director

Date: August 13, 2013

Re: Real Property Tax Abatement Request – CTC04, LLC

The City of Franklin Economic Development Commission (EDC) reviewed and acted on a real property tax abatement requests from CTC04, LLC at a meeting held on August 13, 2013. The board voted unanimously to forward a favorable recommendation to the City Council for a 5 year tax abatement with a 5% Economic Development Fee on the real property abatement.

The property has been designated an Economic Revitalization Area, so only one meeting is needed.

Attached to this memo are:

1. Resolution 2013-24
2. Exhibit "A" – Legal Description
3. Exhibit "B" - Form SB-1 Real Property
4. Case EDC 2013-10 Staff Report
5. Application and requested forms
6. Sample Tax Phase-In Savings Schedules

If you have any questions regarding this request please contact me directly at 346-1250.

CITY OF FRANKLIN, INDIANA

RESOLUTION NUMBER 2013-24

A RESOLUTION GRANTING TAX ABATEMENT FOR CTC04, LLC (EDC 2013-10)

WHEREAS, the economic growth and development of the City of Franklin, Johnson County, Indiana is the primary goal of the community;

WHEREAS, the Franklin Economic Development Commission has on August 13, 2013, held a public meeting and considered the tax abatement request of CTC04, LLC in a manner consistent with the *City of Franklin Community Investment Incentives Summary* and the applicable sections of the Indiana Code.

WHEREAS, the Franklin Economic Development Commission has made the findings required by IC 6-1.1-12.1-3 and IC 6-1.1-12.1-4.5 and recommends that CTC04, LLC receive a 5 year tax abatement on real property for the real estate described as Exhibit "A" and described in the tax abatement request.

WHEREAS, a copy of the Statement of Benefits recommended for approval by the Franklin Economic Development Commission is attached hereto as Exhibit "B;"

WHEREAS, the said real estate as described as Exhibit "A" is located in an existing Economic Revitalization Area as approved by the City of Franklin Common Council with City Council Resolution Number 2012-04 and confirmed by Resolution Number 2012-05;

WHEREAS, the Common Council has received and reviewed Exhibit "B" with all attachments, and that such attachments are made a port hereof and incorporated herein, all which together contain the necessary statements of benefits and description of the project, along with the recommendation of the Economic Development Commission for tax abatement for real property; and

WHEREAS, the Common Council has given careful consideration to the materials submitted and affirms the findings of the Franklin Economic Development Commission relative to the requirements of IC 6-1.1-12.1-3, and specifically including the following findings:

As to **real property** the following findings are made:

1) Whether the estimate of the value of the development or rehabilitation is reasonable for projects of that nature;
2) Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed redevelopment or rehabilitation;
3) Whether the estimate of annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed redevelopment or rehabilitation;
4) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed redevelopment or rehabilitation; and
5) Whether the totality of the benefits is sufficient to justify the tax abatement.

NOW THEREFORE BE IT RESOLVED THAT:

(1) The abatement of real property tax for the property described as Exhibit "A" shall extend for a period of _____ years pursuant to the deduction schedule set forth in IC 6-1.1-12.1-3(e)(10).

(2) CTC04, LLC shall be required to provide the City of Franklin with information showing the extent to which there has been compliance with the statement of benefits submitted in their request for tax abatement within sixty (60) days after the end of each year in which the deduction is applicable, all as require by IC 6-1.1-12.1-5.1.

(3) A copy of this resolution and a description of the affected area will be available and can be inspected in the office of the Johnson County Assessor and the City Clerk/Treasurer.

APPROVED by the Common Council of the City of Franklin, Johnson County, Indiana, this 19th day of August, 2013.

City of Franklin, Indiana, by its Common Council:

Voting Affirmative:	**Voting Opposed:**
______________________________	______________________________
Stephen D. Barnett, Council President	Stephen D. Barnett, Council President
______________________________	______________________________
Joseph P. Abban	Joseph P. Abban
______________________________	______________________________
Joseph R. Ault	Joseph R. Ault
______________________________	______________________________
Kenneth W. Austin	Kenneth W. Austin
______________________________	______________________________
Robert D. Henderson	Robert D. Henderson
______________________________	______________________________
Stephen D. Hougland	Stephen D. Hougland
______________________________	______________________________
Richard L. Wertz	Richard L. Wertz

Attest:

____
Janet P. Alexander
City Clerk-Treasurer

Presented by me to the Mayor of the City of Franklin for his approval or veto pursuant to Indiana Code § 36-4-6-15, 16, this 19th day of August, 2013, at 6:30 p.m.

____
Janet P. Alexander
City Clerk-Treasurer

This ordinance having been passed by the legislative body and presented to me this [Approved by me and duly adopted, pursuant to Indiana Code § 36-4-6-16(a)(1)] [Vetoed, pursuant to Indiana Code § 36-4-6-16(a)(2)], this 19th day of August, 2013, at 6:30 p.m.

____
Joseph E. McGuinness
Mayor

Attest:

____
Janet P. Alexander
City Clerk-Treasurer

APPROVED AS TO FORM:

____
Lynnette Gray
City Attorney

EXHIBIT B

STATEMENT OF BENEFITS
REAL ESTATE IMPROVEMENTS
State Form 51767 (R2 / 1-07)
Prescribed by the Department of Local Government Finance

20 14 PAY 20 15
FORM SB-1 / Real Property

This statement is being completed for real property that qualifies under the following Indiana Code (*check one box*):
☐ Redevelopment or rehabilitation of real estate improvements (IC 6-1.1-12.1-4)
☐ Eligible vacant building (IC 6-1.1-12.1-4.8)

INSTRUCTIONS:

1. *This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body **BEFORE** the redevelopment or rehabilitation of real property for which the person wishes to claim a deduction. "Projects" planned or committed to after July 1, 1987, and areas designated after July 1, 1987, require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)*
2. *Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to initiation of the redevelopment or rehabilitation, **BEFORE** a deduction may be approved.*
3. *To obtain a deduction, application Form 322 ERA/RE or Form 322 ERA/VBD, Whichever is applicable, must be filed with the County Auditor by the later of: (1) May 10; or (2) thirty (30) days after the notice of addition to assessed valuation or new assessment is mailed to the property owner at the address shown on the records of the township assessor.*
4. *Property owners whose Statement of Benefits was approved after June 30, 1991, must attach a Form CF-1/Real Property annually to the application to show compliance with the Statement of Benefits. [IC 6-1.1-12.1-5.1(b) and IC 6-1.1-12.1-5.3(j)]*
5. *The schedules established under IC 6-1.1-12.1-4(d) for rehabilitated property and under IC 6-1.1-12.1-4.8(1) for vacant buildings apply to any statement of benefits approved on or after July 1, 2000. The schedules effective prior to July 1, 2000, shall continue to apply to a statement of benefits filed before July 1, 2000.*

SECTION 1 — TAXPAYER INFORMATION

Name of taxpayer CTC04, LLC		
Address of taxpayer *(number and street, city, state, and ZIP code)* 2530 Bluff Road, Indianapolis, IN 46225		
Name of contact person Joel G. Fritz	Telephone number (317) 782-8300	E-mail address jfritz@ctcconstruction.com

SECTION 2 — LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body Parcel #410811044002000009 E100 N Franklin 46131		Resolution number 13-24
Location of property E 100 N FRANKLIN 46131	County JOHNSON	DLGF taxing district number
Description of real property improvements, redevelopment, or rehabilitation *(use additional sheets if necessary)* NEW 11,999 FACILITY W/ DOCK & DRIVE-IN DOOR		Estimated start date *(month, day, year)* 9/1/2013 Estimated completion date *(month, day, year)* 12/24/2013

SECTION 3 — ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
65	1,048,320	65	1,048,320	1	30,000

SECTION 4 — ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT

NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the **COST** of the property is confidential.	REAL ESTATE IMPROVEMENTS COST	REAL ESTATE IMPROVEMENTS ASSESSED VALUE
Current values	180,000	117,300
Plus estimated values of proposed project	400000	
Less values of any property being replaced	–	
Net estimated values upon completion of project	580,000	

SECTION 5 — WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER

Estimated solid waste converted *(pounds)* ____________

Estimated hazardous waste converted *(pounds)* ____________

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)*
[signature]	MEMBER	7-10-13

Staff Report

To: Economic Development Commission Members

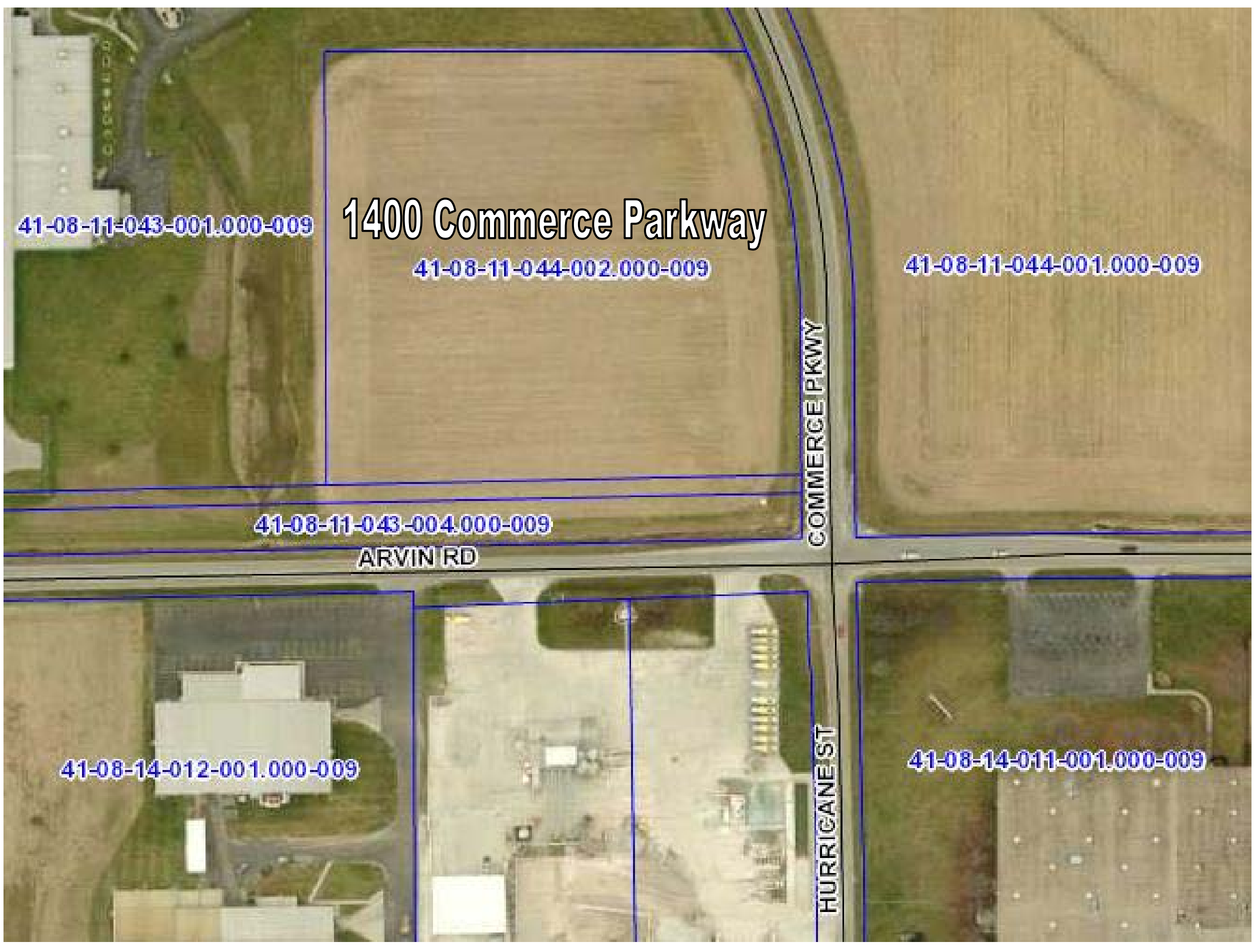
From: Krista Linke, Director

Date: August 6, 2013

Re: Case EDC 2013-10 – CTC04, LLC

Case EDC 2013-10 – CTC04, LLC: A request for a tax abatement on a 11,999 square foot building valued at $400,000.

Location: 1400 Commerce Parkway, Building 1



Summary:

1. Characteristics of this location:
   The property is a vacant lot located at the northwest intersection of Arvin Road and Commerce Parkway.

2. Characteristics of this petitioner:
   CTC04, LLC proposes to build an 11,999 square foot facility that will be occupied by Hillcroft Services. Hillcroft Services is currently located at 400 N. Forsythe Street. Hillcroft Services, Inc. provides residential, employment, and community support services to individuals with disabilities in a ten (10) county area in East Central Indiana. The mission of Hillcroft is: "To provide innovative services and supports for People with disabilities and their families; resulting in extraordinary differences in People's lives." Hillcroft is focused on creating a culture of strong values, understanding the importance of ethical behavior, and maintaining high quality services to the people we serve.

   CTC04, LLC does not currently have any active tax abatements with the City of Franklin.

3. Economic Revitalization Area (ERA):
   This property was designated an ERA through Resolution 2012-04, and confirmed by Resolution 2012-05.

4. ERA & Tax Abatements Findings (Real Property):

   Indiana Code Section 6-1.1-12.1-3 states that the following findings must be made when considering an ERA designation and the granting of a tax abatement for real property:

   a. Whether the estimate of the value of the development or rehabilitation is reasonable for projects of that nature;

   b. Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed redevelopment or rehabilitation;

   c. Whether the estimate of annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed redevelopment or rehabilitation;

   d. Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed redevelopment or rehabilitation; and

   e. Whether the totality of the benefits is sufficient to justify the tax abatement.

5. City of Franklin "Tax Abatement Policy" criteria:
   The Economic Development Commission shall use certain criteria when considering a request for tax abatement. A comparison of those criteria and this request follows:

   a. *Diversification of Local Occupations*: The total number of jobs at the current site is 65. With the relocation to the new facility, all 65 jobs will be retained and 1 new job will be added. The majority of jobs retained pay $9.00 per hour (without benefits). There are 3 jobs retained that pay $18.25 per hour and 12 jobs retained that pay $15.50 per hour. The average hourly wage for the new job is $15.00 per hour (without benefits).

b. *Diversification of Local Manufacturing Employment*: According to the U.S. Census Bureau, 2011 County Business Patterns, there were 6 similar establishments in Johnson County in 2011, and 96 employees.

c. *Increase in Local Salaries*: The average wage for all industries in Johnson County for the first quarter of 2011 was $14.98. Due to the small number of employees in this employment sector, no payroll data is available through the U.S. Census for this employment sector of Johnson County.

d. *Sustainable Land Use*: The petitioner proposes to move from an existing location in Franklin to a new facility.

e. *Future Community Investment*: The applicant should explain if there is room for expansion at their new location. The parcel is approximately 6 acres.

f. *Conformance with the Comprehensive Plan*: The Comprehensive Plan - Future Land Use Plan, identifies this property as Manufacturing. Manufacturing areas are intended to accommodate large scale businesses that produce finished products from raw materials. Uses in these areas may include product manufacturers as well as any related warehousing and offices. Manufacturing areas may include facilities that involve emissions or the outdoor storage of materials and finished products. These two factors are the primary distinction between manufacturing areas and light industrial areas.

   The property is zoned IG, Industrial: General. The "IG," Industrial: General zoning district is intended to provide locations for general industrial manufacturing, production, assembly, warehousing, research and development facilities, and similar land uses. This district is intended to accommodate a variety of industrial uses in locations and under conditions that minimize land use conflicts. This district should be used to support industrial retention and expansion in Franklin.

6. <u>Tax Abatement Duration:</u>
   The *City of Franklin Community Investment Incentives Summary* provides that longer periods of abatement on real and personal property may be considered for requests of an exceptional nature. The Summary states that development examples of an exceptional nature include projects which:

   a. Create a new plant or product line for an existing manufacturer;

   b. Creates substantial employment opportunities with higher than average wages;

   c. Increase substantially property values and the city tax base with minimal impact to city services (police & fire protection, schools, utilities, infrastructure, etc.); and

   d. Utilize existing public infrastructure (sanitary & storm sewer, roads & streets, drainage facilities, and other utilities).

7. <u>Tax Abatement Worksheet:</u>
   A copy of the Tax Abatement Worksheet from the *City of Franklin Community Investment Incentives*

Summary is enclosed with the staff report. This document is recommended as an outline for considering and documenting these tax abatement requests for this meeting.

8. Requested Effective Year:
   The abatement, if approved, would be effective for the tax year 2014, payable 2015.

Staff Comments:

Further explanation about the project and the reason for relocation is needed.

STATEMENT OF BENEFITS
REAL ESTATE IMPROVEMENTS
State Form 51767 (R2 / 1-07)
Prescribed by the Department of Local Government Finance

20____ PAY 20____
FORM SB-1 / Real Property

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5. *The schedules established under IC 6-1.1-12.1-4(d) for rehabilitated property and under IC 6-1.1-12.1-4.8(1) for vacant buildings apply to any statement of benefits approved on or after July 1, 2000. The schedules effective prior to July 1, 2000, shall continue to apply to a statement of benefits filed before July 1, 2000.*

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Address of taxpayer (*number and street, city, state, and ZIP code*) 2530 Bluff Road, Indianapolis, IN 46225		
Name of contact person Joel G. Fritz	Telephone number (317) 782-8300	E-mail address jfritz@ctcconstruction.com

SECTION 2 — LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body Parcel #410811044002000009 E100 N Franklin 46131		Resolution number 13-24
Location of property E 100 N FRANKLIN 46131	County JOHNSON	DLGF taxing district number
Description of real property improvements, redevelopment, or rehabilitation (*use additional sheets if necessary*) NEW 11,999 FACILITY W/ DOCK & DRIVE-IN DOOR		Estimated start date (*month, day, year*) 9/1/2013 Estimated completion date (*month, day, year*) 12/24/2013

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NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the **COST** of the property is confidential.	**REAL ESTATE IMPROVEMENTS**	
	COST	**ASSESSED VALUE**
Current values	180,000	117,300
Plus estimated values of proposed project	400000	
Less values of any property being replaced	—	
Net estimated values upon completion of project	580,000	

SECTION 5 — WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER

Estimated solid waste converted (*pounds*) ______________ Estimated hazardous waste converted (*pounds*) ______________

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*)
[signature]	MEMBER	7-10-13

EDC13-10
Res. No. 13-24

CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Tax Abatement Application

Organization/Corporation Requesting Tax Abatement

Organization/Corporation Name: CTC04, LLC

Primary Contact Name: Joel Fritz, Member

Contact Address: 4301 W Fox Ridge Ave

City: Greenwood State: IN Zip: 46143

Phone Number: 317-459-1284

Email: jfritz@ctcconstruction.com

Three possible dates before the EDC meeting to conduct a site visit:

Name of Owner: Joel Fritz and Rick Beaver

Parent Company (If Applicable):

Primary Contact for Yearly Compliance Reports

Name: Joel Fritz

Title: Member

Address: 4301 W Fox Ridge Ave

City: Greenwood State: IN Zip: 46143

Phone Number: 317-459-1284

Email: jfritz@ctcconstruction.com

Description of Project

Project Location/Address: East 100 North 1400 Commerce Pkwy.

Parcel Number: 410811044002000009 Commerce Business Park Bldg. 1

Brief Description of Project:

Construct a 11,999sqft facility that will be occupied by Hillcroft Services

Current Assessed Value (AV) of the Property:

1. Land 117300
2. Building
3. Inventory
4. Equipment

Have building permits been applied for (if applicable): Yes ☐ No ☑

Has equipment been installed (if applicable): Yes ☐ No ☑

Required Attachments:

- ☐ Completed SB-1 Form(s)
- ☐ Legal Description of the Property
- ☐ Company Financial Statement
- ☐ Job and Wage Description Information Sheet
- ☐ Summary of Benefits (if applicable)
- ☐ Employment Phase-In Schedule
- ☐ Company Investment Timetable
- ☐ Compliance Affidavit

Type of Abatement Requested

Real Property ☑ Personal Property ☐

Length of Abatement Requested: 10 Years

Project Size (square feet): 11,999 Size of Site (acres): 6.02

Type of Building:

Multiple Tenants (leased) ☐ Single Tenant (leased) ☑ Owner Occupied ☐ Corporate Headquarters ☐

Capital Investment

1. Real property capital investment only: 400,000
2. Personal property capital investment only: 0
3. Total capital investment for proposed project: 400,000

Jobs Created and/or Retained

1. Estimated number of full time jobs created by the proposed project: –
2. Estimated number of full time jobs retained as a direct result of the proposed project: 9 plus 56 clients
3. Total number of full time jobs upon project completion: 65

Wages Created and Retained

1. Average hourly wage rate for new jobs (w/o benefits) $9/hour
2. Average hourly wage rate for jobs retained (w/o benefits) $15.5/hour

***In addition to answering these questions, please fill out the Job and Wage Description for Tax Abatement Application information sheet and submit it with the application as an attachment.

Please explain why the abatement incentive is necessary to the project: *Attach additional sheets as necessary.*

We are trying to maintain this

Company Information

How long has the company been in existence? Since 1952

Current address of company headquarters and duration at that address: 114 E streeter Ave, MUNCIE, IN 47303

114 E streeter Ave

Approximate percentage of employees at current location who live in the City of Franklin and/or Johnson County: 65

Have you ever received tax abatement at your current location? Yes ○ No ◉

If yes, when and for what term? n/a

What specifically has the company done to give back to the community: Helping people get to work with disabilities and creating other jobs doing so.

While acting as a strong advocate for using economic incentives to help applicants expand and/or locate in the community, the City of Franklin also strives to enrich the quality of life for its citizens. To that end, the City embraces the use of voluntary economic development fees as allowed under Indiana law (IC 6-1.1-12.1-14). These fees are directed by the City to local nonprofit organizations to bolster their economic development efforts. The fee can be applied on both real and personal property abatements. The fee is collected annually by the County Treasurer as a special assessment on the tax bill and is distributed by the City to the designated economic development nonprofit organization. Typically, 2% is charged on Real Property and 5% is charged on Personal Property. The fee is a percentage of the abatement received. For example, instead of receiving 100% abatement in the first year, the company receives a 95% abatement, with the 5% difference going to support local economic development. More information can be found on the City's website (www.franklin.in.gov) under the Economic Development tab.

Is the company agreeable to the Economic Development Fee? Yes ⊗ No ○

If yes, at what percent(s)? 5%

3 YEAR

CTC04, LLC

Sample Property Tax on Real Property (3 Year) with 5% Economic Development Fee

Real Property Tax Investment: $400,000

Tax Rate: 3.0%

	2013 Payable 2014	*2014 Payable 2015*	*2015 Payable 2016*	
True Cash Value	$400,000	$400,000	$400,000	
Assessed Value	$400,000	$400,000	$400,000	
Net Tax Rate	3.0%	3.0%	3.0%	***Total***
Tax w/o Abatement	$12,000	$12,000	$12,000	***$36,000***
Abatement Rate	100%	66%	33%	
Amount Abated	$12,000	$7,920	$3,960	***Total***
Taxes Paid w/Abatement	$0	$4,080	$8,040	***$12,120***
				Total Fees Paid
5% Fee	$600	$396	$198	***$1,194***

Total Tax Saving without Economic Development Fee

$23,880

Total Tax Savings with 5% Economic Development Fee

$22,686

5 YEAR

CTC04, LLC

Sample Property Tax on Real Property (5 Year Period) with 5% Economic Development Fee

Real Property Tax Investment: $400,000

Tax Rate: 3.0%

	2013 Payable 2014	2014 Payable 2015	2015 Payable 2016	2016 Payable 2017	2017 Payable 2018	
True Cash Value	$300,000	$300,000	$300,000	$300,000	$300,000	
Assessed Value	$300,000	$300,000	$300,000	$300,000	$300,000	
Net Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	*Total*
Tax w/o Abatement	$9,000	$9,000	$9,000	$9,000	$9,000	*$45,000*
Abatement Rate	100%	80%	60%	40%	20%	
Amount Abated	$9,000	$7,200	$5,400	$3,600	$1,800	*Total*
Taxes Paid w/Abatement	$0	$1,800	$3,600	$5,400	$7,200	*$18,000*
						Total Fees Paid
5% Fee	$450	$360	$270	$180	$90	*$1,350*

Total Tax Saving without Economic Development Fee

$27,000

Total Tax Savings with 5% Economic Development Fee

$25,650

7 YEAR

CTC04, LLC

Sample Property Tax on Real Property (7 Year) with 5% Economic Development Fee

Real Property Tax Investment: $400,000

Tax Rate: 3.0%

	2013 Payable 2014	***2014 Payable 2015***	***2015 Payable 2016***	***2016 Payable 2017***	***2017 Payable 2018***	***2018 Payable 2019***	***2019 Payable 2020***	
True Cash Value	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	
Assessed Value	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	
Net Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	***Total***
Tax w/o Abatement	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	***$63,000***
Abatement Rate	100%	85%	71%	57%	43%	29%	14%	
Amount Abated	$9,000	$7,650	$6,390	$5,130	$3,870	$2,610	$1,260	***Total***
Taxes Paid w/Abatement	$0	$1,350	$2,610	$3,870	$5,130	$6,390	$7,740	***$27,090***
								Total Fees Paid
5% Fee	$450	$383	$320	$257	$194	$131	$63	***$1,796***

Total Tax Saving without Economic Development Fee

$35,910

Total Tax Savings with 5% Economic Development Fee

$34,115

10 YEAR

CTC04, LLC

Sample Property Tax on Real Property (10 Year Period) Schedule with 5% Fee

Real Property Tax Investment: $400,000

Tax Rate: 3.0%

	2013 Payable 2014	2014 Payable 2015	2015 Payable 2016	2016 Payable 2017	2017 Payable 2018	2018 Payable 2019	2019 Payable 2020	2020 Payable 2021	2021 Payable 2022	2021 Payable 2022	
True Cash Value	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	
Assessed Value	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	
Net Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	*Total*
Tax w/o Abatement	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	*$120,000*
Abatement Rate	100%	95%	80%	65%	50%	40%	30%	20%	10%	5%	
Amount Abated	$12,000	$11,400	$9,600	$7,800	$6,000	$4,800	$3,600	$2,400	$1,200	$600	*Total*
Taxes Paid w/Abatement	$0	$600	$2,400	$4,200	$6,000	$7,200	$8,400	$9,600	$10,800	$11,400	*$60,600*
											Total Fees Paid
5% Fee	$600	$570	$480	$390	$300	$240	$180	$120	$60	$30	*$2,970*

Total Tax Saving without Economic Development Fee

$59,400

Total Tax Savings with 5% Economic Development Fee

$56,430

EMPLOYMENT PHASE-IN SCHEDULE
SAMPLE JOB CREATION/RETENTION TIMETABLE

	Job Type 1	Job Type 2	Job Type 3	Job Type 4	**Total**
Year of Abatement					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
Year of Abatement					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
Year of Abatement					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
TOTAL					

TAX ABATEMENT WORKSHEET

EDC Case # *2013-10*

Name of Applicant: *CTC04, LLC*

Name of Representative(s) *Joel Fritz*

Dates of EDC Meeting(s) *August 13, 2013*

City Council Resolution # *2013-24*

Date of City Council Introduction: *August 19th, 2013*

Date of City Council Public Hearing: ~~*September 16th, 2013*~~

I. Application to EDC	**Circle One**	
1) All respective forms, plats, schedules, filing fees, etc. which are outlined in the EDC Procedures and Requirements have been filed in a timely manner with the EDC.	Y	N
2) All Sections of the Statements of Benefits form SB-1 have been completed with an entry in each section and box.	Y	N
3) All tax abatement schedules for all possible tax abatement periods, broken down for each individual year, have been submitted.	Y	N
4) All phase in schedules have been broken down into quarterly periods throughout the *entire* tax abatement periods.	Y	N
5) A representative from the company requesting the tax abatement is present at the EDC meeting.	Y	N
6) Petitioner has thus far complied with and shall continue to comply with the "prior approval" requirement of the statement of Benefits from SB-1, which states that "Approval of the Common Council must be obtained prior to initiation of the redevelopment or rehabilitation (of real property) or *prior* to the installation of new manufacturing equipment BEFORE a deduction may be approved." If not, explain...	Y	N

____

II. Economic Revitalization Area (ERA)

1) The project area of the present request is currently designated as either an economic revitalization area (ERA) or an economic development target area (EDTA). If so, complete items A, B, and C and go to Section III. Y ~~N~~

   a) The project area has been designated as an ERA or EDTA (circle one).

   b) The designation was made under Resolution No: 2012-04/05

   c) The designation is due to expire in (year) NA

2) If the project area is not presently designated as either an ERA or an EDTA, list the condition(s) which exist that make the project area undesirable for or impossible of normal development.

____

____

____

3) Based upon these findings, the EDC recommends that the project area be designated as an ERA or EDTA. Y N

III. Economic Inducement and Employment

1) If approved, granting the present tax abatement serves as an economic inducement for one of the following economic development activities: development of a new facility; expansion of an existing facility or retention of an exiting facility. Y N

2) If approved, granting the present tax abatement serves as an employment mechanism to either create or retain jobs. Y N

IV. Tax Abatement Periods

1) *Real Property Improvements*

   a) Applicant is seeking tax abatement on real property improvements. Y N

b) If so, the tax abatement period being requested is for
10 years.

c) Based upon all of the information provided by the applicant concerning these Guidelines and all of the criteria shown in the Tax Abatement Policy of Franklin, Indiana, the EDC recommends granting the following tax Abatement period for real property improvements:
5 years.
with a 5% Economic Development Fee

2) *New Machinery and Equipment*

a) Applicant is seeking tax abatement on new machinery and equipment. Y N

b) If so, the tax abatement period being requested is for
NA years.

c) Based upon all of the information provided by the applicant concerning these Guidelines and all of the criteria shown in the Tax Abatement Policy of Franklin, Indiana, the EDC recommends granting the following tax Abatement period for new machinery and equipment for
______ years.

V. Termination of ERA Designation and Tax Abatement Periods

1) The EDC recommends that the ERA designation for the project area (a) runs concurrently with the longer of the two tax abatement periods show above in Section IV, and (b) terminates upon the same termination date as the termination date of the longer of the two tax abatement periods shown in Section IV above. Y N
NA

2) The EDC further recommends that the tax abatement periods for both real property improvements and new machinery and equipment automatically expire upon the predetermined termination date set for each respective tax abatement. Y N
NA

3) The EDC further recommends that the termination date for the purchase and installation of the new machinery and equipment shall be ______________________________.

VI. Additional Information for the Common Council

1) A representative from the company requesting the tax abatement is present at the Common Council meetings. Y N

2) Applicant has submitted:

   a) Company's financial statement as of the end of the last fiscal year. Y N

   b) A notarized statement attesting to the fact that (1) the project will pose no environmental hazards to the community, and (2) the company will comply with all of the following municipal codes and ordinances, including zoning, site plan reviews and permitting requirements. Y N

VII. Certification

A copy of this worksheet, completed by the EDC at a public meeting held on the 13 day of August, 2013, has been completed and forwarded to the Common Council for further proceedings.

John Ditmars, Economic Development Commission President