



CITY OF FRANKLIN

Community Development Department

Memorandum

To: City of Franklin Economic Development Commission

From: Dana Monson, Community Development Specialist

Date: April 15, 2025

Re: Case C 2025-51: Electro-Spec, Inc. (12-07)

Summary:

1. On April 16th, 2012, the Franklin Common Council passed Resolution No. 2012-07, approving a 10-year tax abatement on personal property tax abatement for Electro-Spec located at 1800 Commerce Parkway.
2. Actual and estimated benefits, as projected for 2024:

	Estimated on SB-1	Actual in 2024	Difference
Employees Retained	62	54	-10
Salaries	\$2,428,138	\$3,540,172	\$1,112,034
New Employees	22	0	-22
Salaries	\$600,000	\$0	-\$600,000
Total Employees	84	54	-30
Total Salaries	\$3,028,138	\$3,540,172	\$512,034
Average Hourly Salaries	\$17.33	\$31.52	\$14.19
Personal Property Improvements	\$2,170,000	\$3,762,384	\$1,592,384

3. The company has exceeded the personal property investment estimated on its SB-1 Form.
4. The company stated it would create 10 jobs in 2012, 5 to 7 jobs in 2013, and 5 to 8 jobs in 2014. They met the number of jobs retained and created as originally estimated in 2013. That number declined by 4 in 2014. The number of jobs in 2015 exceeds their SB-1 estimate by 4. The total number of employees in 2016 is 4 fewer than estimated on SB-1; however, the average hourly salary exceeds what was estimated. In 2017 the number of employees is 5 short of the estimate, but total salaries and hourly wages well exceed the SB-1 estimate. In 2018 Electro-Spec was down two employees but exceeded hourly wages by \$6.87 compared to SB-1 estimates. In 2019 they were down by 18, however, their wages are above estimates by \$8.00. In 2020 they are down by 15 but wages are up by \$5.12. Jobs have become more skilled than originally estimated in 2012 and have reduced employees but increased wages. The company is down 22 employees in 2021, however, the wages are above by \$7.11 and the company is using more skilled labor, with less unskilled needs. In 2022 the company is still down in employment but over \$10 per hour in wages. IN 2023 the company is down 30 employees, however, the wages are double the estimate. The jobs are more highly skilled and require less manpower than the original estimate. The employment is the same for 2024.

5. The personal property tax abatement is scheduled to expire in 2025 and pay 20265. The final compliance will take place in 2025.

Staff Recommendation: Approval



March 12, 2025

Ms. Dana Monson
Community Development Specialist
Dept. Of Planning & Economic Development
70 East Monroe Street
Franklin, IN 46131

RE: Tax Abatement Compliance for Electro-Spec, Inc.

Dear Ms. Monson:

Enclosed please find the CF-1 (Compliance with Statement of Benefits) regarding compliance with personal property tax abatements which were granted to Electro-Spec, Inc. under Franklin Common Council Resolution No. 12-07.

As you can see from reviewing the enclosed documents, our company has been successful in (1) exceeding the initial capital investment set forth in 2012, but are short on maintaining the number of jobs which had been proposed in the Statement of Benefits (Form SB-1) by 30 employees. While falling short by the number of jobs, we actually exceeded the proposed amount of payroll by hiring higher skilled employees for specific engineering and quality roles within the company. We are actively trying to hire quality and plating personnel, but continue to run into problems with bringing in personnel unfortunately.

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 black ink, appearing to read 'J. Smith', with a large, stylized flourish at the end.

Jeffrey D. Smith
President
(317) 739-0924
jsmith@electro-spec.com

1800 Commerce Parkway
Franklin, IN 46131
(317) 738-9199 phone
(317) 738-9491 fax

**COMPLIANCE WITH STATEMENT OF BENEFITS
PERSONAL PROPERTY**

State Form 51765 (R7 / 12-22)

Prescribed by the Department of Local Government Finance

PRIVACY NOTICE
This form contains confidential
information pursuant to
IC 6-1.1-35-9 and IC 6-1.1-12.1-5.6.**FORM CF-1 / PP****20 24 Pay 20 25**

- 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 January 1 and May 15, unless a filing extension under IC 6-1.1-3.7 has been granted. A person who obtains a filing extension must file between January 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 form (CF-1).

SECTION 1		TAXPAYER INFORMATION						
Name of Taxpayer Electro-Spec, Inc.		County Johnson						
Address of Taxpayer (number and street, city, state, and ZIP code) 1800 Commerce Parkway Franklin, IN 46131		DLGF Taxing District Number 41-009						
Name of Contact Person Jeffrey D. Smith		Telephone Number (317) 739-0924	Email Address jsmith@electro-spec.com					
SECTION 2		LOCATION AND DESCRIPTION OF PROPERTY						
Name of Designating Body Franklin City Council		Resolution Number 12-07	Estimated State Date (month, day, year) 05-01-2012					
Location of Property 1800 Commerce Parkway Franklin, IN 46131		Actual Start Date (month, day, year) 05-01-2012						
Description of new manufacturing equipment, new research and development equipment, new information technology equipment, or new logistical distribution equipment to be acquired. New plating equipment and updated lines		Estimated Completion Date (month, day, year) 12-31-2014						
		Actual Completion Date (month, day, year) 12-31-2014						
SECTION 3		EMPLOYEES AND SALARIES						
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL					
Current Number of Employees	62		54					
Salaries	\$2,428,138		\$3,540,172					
Number of Employees Retained	62		54					
Salaries	\$2,428,138		\$2,428,138					
Number of Additional Employees	22		0					
Salaries	\$600,000		\$1,112,034					
SECTION 4		COST AND VALUES						
	MANUFACTURING EQUIPMENT	RESEARCH & DEVELOPMENT EQUIPMENT	LOGISTICAL DISTRIBUTION 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	\$ 2,170,000	\$	\$	\$	\$	\$	\$	\$
Less: Values of Any Property Being Replaced	\$	\$	\$	\$	\$	\$	\$	\$
Net Values Upon Completion of Project	\$	\$	\$	\$	\$	\$	\$	\$
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values Before Project	\$	\$	\$	\$	\$	\$	\$	\$
Plus: Values of Proposed Project	\$ 4,039,088	\$	\$	\$	\$	\$	\$	\$
Less: Values of Any Property Being Replaced	\$	\$	\$	\$	\$	\$	\$	\$
Net Values Upon Completion of Project	\$ 4,039,088	\$	\$	\$	\$	\$	\$	\$
NOTE: The COST of the property is confidential pursuant to IC 6-1.1-12.1-5.6(c).								
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 President	Date Signed (month, day, year) March 12th, 2025					

INSTRUCTIONS: (IC 6-1.1-12.1-5.9)

1. Within forty-five (45) days after receipt of this form, the designating body may determine whether or not the property owner has substantially complied with the Statement of Benefits.
2. If the property owner is found **NOT** to be in substantial compliance, the designating body shall send the property owner written notice. The notice must include the reasons for the determination, including the date, time, and place of a hearing to be conducted by the designating body. If a notice is mailed to a property owner, a copy of the written notice will be sent to the county assessor and the county auditor.
3. Based on the information presented at the hearing, the designating body shall determine whether or not the property owner has made a reasonable effort to substantially comply with the Statement of Benefits and whether any failure to substantially comply was caused by factors beyond the control of the property owner.
4. If the designating body determines that the property owner has **NOT** made a reasonable effort to comply, the designating body shall adopt a resolution terminating the deduction. The designating body shall immediately mail a certified copy of the resolution to: (1) the property owner; (2) the county auditor; and (3) the county assessor.

We have reviewed the CF-1 and find that:

- ☐ The property owner **IS** in substantial compliance
- ☐ The property owner **IS NOT** in substantial compliance
- ☐ Other (specify) _____

Reasons for the Determination (attach additional sheets if necessary)

Signature of Authorized Member

Date Signed (month, day, year)

Attested By

Designating Body

If the property owner is found not to be in substantial compliance, the property owner shall receive the opportunity for a hearing. The following date and time has been set aside for the purpose of considering compliance.

Time of Hearing

☐

AM

☐

PM

Date of Hearing (month, day, year)

Location of Hearing

HEARING RESULTS (to be completed after the hearing)

☐ Approved

☐ Denied (see Instruction 5 above)

Reasons for the Determination (attach additional sheets if necessary)

Signature of Authorized Member

Date Signed (month, day, year)

Attested By

Designating Body

APPEAL RIGHTS [IC 6-1.1-12.1-5.9(e)]

A property owner whose deduction is denied by the designating body may appeal the designating body's decision by filing a complaint in the office of the clerk of the Circuit or Superior Court together with a bond conditioned to pay the costs of the appeal if the appeal is determined against the property owner.

Electro-Spec, Inc.
1800 Commerce Parkway
Franklin, IN 46131

Attachment to Form CF-1 (Compliance with Statement of Benefits)
Employees by Quarter

Number of Employees As 05/01/2012 (Form SB-1)	Proposed Total Number of Employees by 12/31/2014 (Form SB-1)	Actual Number of Employees (By Quarter				Actual Total Number of Employees as of 12/31/24	Difference Between Actual and Proposed Number of Employees
		3/31/2024	6/30/2024	9/30/2024	12/31/2024		
62	84	53	53	54	54	54	(30.00)

Resolution Number 12-07