



CITY OF FRANKLIN

Community Development Department

Memorandum

To: City of Franklin Economic Development Commission
From: Dana Monson, Community Development Specialist
Date: March 11, 2025
Re: Case C 2025-49: Airtomic LLC (Formerly Sargent Aerospace) (2018-11)

Summary:

- On September 17, 2018, the Franklin Common Council passed Resolution No. 2018-11 approving a 10-year tax abatement on real property and a 5-year personal property tax abatement for the property located at 75 Linville Way.
- Actual and estimated benefits, as projected for 2024:

	Estimated on SB-1	Actual in 2024	Difference
Employees Retained	24	24	0
Salaries	\$1,335,360	\$1,817,088	+\$481,728
New Employees	13	38	+25
Salaries	\$723,320	\$2,877,056	\$2,153,736
Total Employees	37	62	+25
Total Salaries	\$2,058,680	\$4,694,144	\$2635,464
Average Hourly Salaries	\$26.75	\$36.40	\$9.65
Personal Property Improvements	\$525,000	\$610,427	\$85,427
Real Property Improvements	\$2,872,900	\$2,877,715	\$4,815

- The company has exceeded the estimate provided on their SB-1 Form for real and personal property improvements.
- In 2019 the total number of employees exceeded their estimate by 10 with salaries coming as projected. 2020 saw a loss of 5 employees due to Covid reductions in sales but a substantial rise in wages. In 2021 the company filled all positions and increased by one from the estimates. Wages increased as well. In 2022 the increase was 5 employees and above wages. In 2023 the employees were increased by 22 with a substantial increase in wages. In 2024 they continued to be above in wages and employment.
- The real property tax abatement is scheduled to expire in tax year 2028 payable in 2029. The final compliance review will take place in 2029.
- The personal property tax abatement is scheduled to expire in 2025 pay 2025. The final compliance will take place in 2025.

Staff Recommendation: Approval



Wednesday, February 26, 2025

City of Franklin
Attn: Mrs. Dana Monson, Community Development Specialist
70 East Monroe Street
Franklin, IN 46131

Re: Tax Abatement Compliance Packet for Airtomic LLC

Dear Mrs. Monson,

Please find attached Forms CF-1/RE and CF-1/PP (Compliance with Statement of Benefits) regarding compliance with the real property and personal property tax abatements, granted to Airtomic LLC in 2018 under Franklin Common Council Resolution number 2018-11.

As can be seen from reviewing the enclosed documents, our company has been successful in;

- (a) Completed all capital investment projected for completion by 31 May 2019 with the building Runnebohm.
- (b) Creating the full complement of jobs which we projected (13 adds) which had been proposed in the statement of benefits (Form SB-1) which was approved on September 17, 2018. Since the inception of this project, we have added an additional 6 new employees in 2021, 4 new employees in 2022, 19 new employees in 2023, and 3 new employees in 2024. Our total number of employees stood at 62 as of January 1, 2025.
- (c) At the same time, we increased our sales by \$6.8M or 47% in 2024 vs. 2019. We forecast our sales of \$24M in 2025 and we plan to add an additional 11 employees throughout 2025 which brings our total number of employees to 71 at the end of December 2025.

We are proud Franklin community members, and our facility and surrounding grounds show our pride.

Please review the enclosed documents and if you have any questions or concerns regarding this matter, please feel free to contact me at (317) 738-0148, 4468.

Sincerely,

Mike Callaway
General Manager
Enclosures



**COMPLIANCE WITH STATEMENT OF BENEFITS
REAL ESTATE IMPROVEMENTS**

State Form 51766 (R6 / 4-23)
Prescribed by the Department of Local Government Finance

20 <u>25</u> PAY 20 <u>26</u>
FORM CF-1 / Real Property

PRIVACY NOTICE
The cost and any specific individual's salary information is confidential; the balance of the filing is public record per IC 6-1.1-12.1-5.3 (k) and (l).

INSTRUCTIONS:

1. Property owners must file this form with the county auditor and the designating body for their review regarding the compliance of the project with the Statement of Benefits (Form SB-1/Real Property).
2. This form must accompany the initial deduction application (Form 322/RE) that is filed with the county auditor.
3. This form must also be updated each year in which the deduction is applicable. It is filed with the county auditor and the designating body before May 15 or by the due date of the real property owner's personal property return that is filed in the township where the property is located. (IC 6-1.1-12.1-5.3(j))
4. With the approval of the designating body, compliance information for multiple projects may be consolidated on one (1) compliance form (Form CF-1/Real Property).

SECTION 1 TAXPAYER INFORMATION		
Name of Taxpayer Airtomic LLC (Sargent Aerospace & Defense)		County Johnson
Address of Taxpayer (number and street, city, state, and ZIP code) 75 Linville Way, Franklin IN 46131		DLGF Taxing District Number 41-08-02-043-005.000-009
Name of Contact Person Mike Callaway	Telephone Number (317) 738-0148;4468	Email Address mcallaway@sargentaerospace.com
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY		
Name of Designating Body City of Franklin Common Council	Resolution Number 2018-11	Estimated Start Date (month, day, year) 11/01/2018
Location of Property 75 Linville Way, Franklin IN 46131		Actual Start Date (month, day, year) 11/01/2018
Description of Real Property Improvements CONSTRUCTION OF A NEW 300,000 SQ FT MANUFACTURING FACILITY WITH EXPANSION SPACE FOR ADDITIONAL 20,000 SQ FT AVAILABLE		Estimated Completion Date (month, day, year) 05/31/2019
		Actual Completion Date (month, day, year) 11/25/2019
SECTION 3 EMPLOYEES AND SALARIES		
EMPLOYEES AND SALARIES	AS ESTIMATED ON SB-1	ACTUAL
Current Number of Employees	24	62
Salaries	26.75	36.40
Number of Employees Retained	24	62
Salaries	26.75	36.40
Number of Additional Employees	13	3
Salaries	24.00	36.40
SECTION 4 COST AND VALUES		
COST AND VALUES	REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1	COST	ASSESSED VALUE
Values Before Project	\$	\$
Plus: Values of Proposed Project	\$ 2,872,900.00	\$
Less: Values of Any Property Being Replaced	\$	\$
Net Values Upon Completion of Project	\$ 2,872,900.00	\$
ACTUAL	COST	ASSESSED VALUE
Values Before Project	\$	\$
Plus: Values of Proposed Project	\$	\$
Less: Values of Any Property Being Replaced	\$	\$
Net Values Upon Completion of Project	\$ 2,877,715.00	\$
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 <i>M. Callaway</i>	Title General Manager	Date Signed (month, day, year) 02/26/2025

OPTIONAL: FOR USE BY A DESIGNATING BODY WHO ELECTS TO REVIEW THE COMPLIANCE WITH STATEMENT OF BENEFITS (FORM CF-1)

INSTRUCTIONS: (IC 6-1.1-12.1-5.3 and IC 6-1.1-12.1-5.9)

1. Not later than 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 (Form SB-1/Real Property).
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. The date of this hearing may not be more than thirty (30) days after the date this notice is mailed. A copy of the notice may be sent to the county auditor and the county assessor.
3. Based on the information presented at the hearing, the designating body shall determine whether or not the property owner has made reasonable efforts to substantially comply with the Statement of Benefits (Form SB-1/Real Property), 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 reasonable efforts to comply, the designating body shall adopt a resolution terminating the property owner's deduction. If the designating body adopts such a resolution, the deduction does not apply to the next installment of property taxes owed by the property owner or to any subsequent installment of property taxes. 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:			
<input type="checkbox"/>	The Property Owner IS in Substantial Compliance		
<input type="checkbox"/>	The Property Owner IS NOT in Substantial Compliance		
<input type="checkbox"/>	Other (specify) _____		
Reasons for the Determination (attach additional sheets if necessary)			
Signature of Authorized Member			Date Signed (month, day, year) 02/26/2025
Attested By		Designating Body City of Franklin Common Council	
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. (Hearing must be held within thirty (30) days of the date of mailing of this notice.)			
Time of Hearing	<input type="checkbox"/> AM <input type="checkbox"/> PM	Date of Hearing (month, day, year)	Location of Hearing

HEARING RESULTS (to be completed after the hearing)			
<input type="checkbox"/> Approved		<input type="checkbox"/> Denied (see Instruction 4 above)	
Reasons for the Determination (attach additional sheets if necessary)			
Signature of Authorized Member			Date Signed (month, day, year) 02/26/2025
Attested By		Designating Body City of Franklin Common Council	

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.

Airtomic Employment Phasing

New Positions

	Management Professional	Technical Sales	Service	Precision Production	Operators	Total
Est./Act.	Est./Act.	Est./Act.	Est./Act.	Est./Act.	Est./Act.	Est./Act.
2018 Year of Abatement						
3rd Qtr		2/0			2/0	4/0
4th Qtr	0/1	1/0			1/1	2/2
2019 Year of Abatement						
1st Qtr					6/6	6/6
2nd Qtr	3/3			1/1	1/1	5/5
3rd Qtr	3/3		1/1	2/2	2/2	8/8
4th Qtr			2/2	2/2		4/4
2020 Year of Abatement						
1st Qtr	4/4	1/1	4/4	28/28	14/14	51/51
2nd Qtr	4/3	1/1	4/3	28/21	14/12	51/40
3rd Qtr	4/3	1/1	4/2	28/14	14/11	51/31
4th Qtr	4/3	1/1	4/2	28/15	14/11	51/32
2021 Year of Abatement						
1st Qtr	4/3	0/0	1/1	16/17	10/10	31/31
2nd Qtr	4/4	0/0	1/1	17/17	10/10	32/32
3rd Qtr	4/4	0/0	2/1	18/19	10/10	34/34
4th Qtr	4/4	0/1	3/2	19/21	10/10	36/38
2022 Year of Abatement						
1st Qtr	3/3	0/0	3/4	19/22	10/10	35/39
2nd Qtr	3/2	0/0	4/4	21/22	12/13	40/41
3rd Qtr	3/2	0/0	5/4	23/21	12/13	43/40
4th Qtr	3/2	0/0	4/3	23/23	13/14	44/42
2023 Year of Abatement						
1st Qtr	1/1	0/0	4/5	23/27	13/14	41/47
2nd Qtr	1/1	0/0	4/5	23/32	13/14	41/52
3rd Qtr	1/1	0/0	4/5	23/36	13/14	41/56
4th Qtr	1/1	0/0	4/5	24/34	13/19	42/59
2024 Year of Abatement						
1st Qtr	1/1	0/0	5/4	31/34	21/19	58/58
2nd Qtr	2/1	0/0	5/3	31/36	21/19	58/59
3rd Qtr	2/2	0/0	5/4	32/34	22/20	59/60
4th Qtr	2/2	0/0	5/4	32/36	22/20	61/62
Total by Type	2/2	0/0	5/4	32/35	22/19	59/60

Airtomic Investment Timetable

Investment Type

	Building & Site	Internal Utilities	Technology	Service Equipment	Furniture	Total
2018 Year of Abatement						
3rd Qtr	\$200,000					\$200,000
4th Qtr						
2019 Year of Abatement						
1st Qtr		\$100,000				\$100,000
2nd Qtr	\$2,700,000	\$100,000	\$100,000	\$150,000	\$75,000	\$3,125,000
3rd Qtr						
4th Qtr				\$75,000		\$75,000
2020 Year of Abatement						
1st Qtr						
2nd Qtr						
3rd Qtr						
4th Qtr						
2021 Year of Abatement						
1st Qtr						
2nd Qtr						
3rd Qtr						
4th Qtr						
2022 Year of Abatement						
1st Qtr						
2nd Qtr						
3rd Qtr						
4th Qtr						
2023 Year of Abatement						
1st Qtr						
2nd Qtr						
3rd Qtr						
4th Qtr						
2023 Year of Abatement						
1st Qtr						
2nd Qtr						
3rd Qtr						
4th Qtr						
Total by Type	\$2,900,000	\$200,000	\$100,000	\$225,000	\$75,000	\$3,500,000