



CITY OF FRANKLIN
COMMUNITY DEVELOPMENT DEPARTMENT

Memorandum

To: City of Franklin Economic Development Commission
From: Krista Linke, Community Development Director
Date: March 7, 2014
Re: Case C 2014-08: KYB Manufacturing North America

Summary:

1. On February 13th, 2007, the Franklin Common Council passed Resolution No. 2006-02, establishing an economic revitalization area and approving a 7-year tax abatement on personal property for KYB Manufacturing located at 2625 N. Morton Street. Resolution 2006-02 was confirmed by Resolution 2006-03 on February 27th, 2007.
2. Actual and estimated benefits, as projected for 2013:

	Estimated on SB-1	Actual in 2013	Difference
Employees Retained	615	719	104
Salaries	\$26,300,000	\$27,802,583	\$1,502,583
Average Hourly Salaries	\$20.56	\$18.59	-\$1.97
Personal Property Improvements	\$17,000,000	\$21,274,139	\$4,274,139

3. Last year the company did not meet their number of employees retained or salaries. They had 563 employee and \$23,852,178 in salaries (average hourly rate \$20.37).
4. This is the first year that the company meets their estimate for the total number of employees. The average hourly wage is less than indicated, and lower than reported last year.
5. The company has greatly exceeded their estimate provided on their SB-1 Form for personal property investment.
6. The tax abatement is scheduled to expire in tax year 2013 payable 2014. The final compliance review will take place in 2014.

Staff Recommendation:

Approval



**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 KYB Americas Corporation (f/k/a KYB Manufacturing North America, Inc.)	
Address of taxpayer (number and street, city, state, and ZIP code) 2625 N. Morton Street Franklin, IN 46131	
Name of contact person James E. Hamilton	Telephone number (317) 736-7774

SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY		
Name of designating body City of Franklin Common Council		Resolution number R 06-03
Location of property 2625 N. Morton Street Franklin, IN 46131	County Johnson	DLGF taxing district number 009
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired. See attached.		Estimated starting date (month, day, year) 02/01/2005
		Estimated completion date (month, day, year) 03/31/2006

SECTION 3 EMPLOYEES AND SALARIES			
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		615.00	719
Salaries		26,300,000.00	27,802,583.00
Number of employees retained		615.00	719
Salaries		26,300,000.00	27,802,583.00
Number of additional employees			104
Salaries			1,502,583.00

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	25,783,570.00	11,059,005.00						
Plus: Values of proposed project	17,000,000.00	6,800,000.00						
Less: Values of any property being replaced								
Net values upon completion of project	42,783,570.00	17,859,005.00						
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	39,214,863.00	14,174,970.00						
Plus: Values of proposed project	21,274,139.00	6,141,090.00						
Less: Values of any property being replaced								
Net values upon completion of project	60,489,002.00	20,316,060.00						

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 <i>James E. Hamilton</i>	Title Controller	Date signed (month, day, year) 2/28/2014