CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Memorandum

To: City of Franklin Economic Development Commission

From: Krista Linke, Community Development Director

Date: April 25, 2014

Re: Case C 2014-37: NSK Corporation

Summary:

1. On July 15th, 2013, the Franklin Common Council passed Resolution No. 2013-20, approving a 10-year tax abatement with a 5% economic development fee on personal property for NSK Corporation located at 3400 Bearing Drive.
2. Actual and estimated benefits, as projected for 2013:

	Estimated on SB-1	Actual in 2013	Difference
Current Employees	258	270	12
Salaries	$16,650,000	$17,490,296	$840,296
Employees Retained	18	18	0
Salaries	$576,000	$576,000	$0
Total Employees	276	288	12
Total Salaries	$17,226,000	$18,066,296	$840,296
Average Hourly Salaries	$30.01	$30.16	$0.15
Personal Property Improvements	$20,000,000	$5,727,496	-$14,272,504

3. The company indicated on their original application that $5,500,000 in equipment would be purchased in 2013; $6,000,000 in 2014; $6,800,000 in 2015; and $1,500,000 in 2016. The company has exceeded their estimate provided on the SB-1 Form for personal property investment in 2013.
4. They have exceeded their employment estimates and met their average hourly salaries.
5. The completion date approved on their SB-1 Form was March 31, 2016. The personal property tax abatement is scheduled to expire in tax year 2025 payable 2026. Their last year for compliance review will be 2026.

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

14-37

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: NSK CORPORATION	
Address of taxpayer *(number and street, city, state, and ZIP code)*: PO BOX 134007, ANN ARBOR, MI 48113-4007	
Name of contact person: RACHEL ALLEN	Telephone number: (734) 913-7588

SECTION 2 — LOCATION AND DESCRIPTION OF PROPERTY

Name of designating body: FRANKLIN CITY COMMON COUNCIL		Resolution number: 13-20
Location of property: 3400 BEARING DRIVE, FRANKLIN, IN 46131	County: JOHNSON	DLGF taxing district number:
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired. Expansion of taper roller lines to accomodate new business volumes. We will replace temporary & part time positions with fulltime. Increase in equipment efficiency & quality to increase production.		Estimated starting date *(month, day, year)*: 04/01/2013 Estimated completion date *(month, day, year)*: 03/31/2016

SECTION 3 — EMPLOYEES AND SALARIES

EMPLOYEES AND SALARIES	AS ESTIMATED ON SB-1	ACTUAL
Current number of employees	258.00	270
Salaries	16,650,000.00	17,490,296.00
Number of employees retained	18.00	18
Salaries	576,000.00	576,000.00
Number of additional employees		
Salaries		

SECTION 4 — COST AND VALUES

	MANUFACTURING EQUIPMENT		R-& D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
AS ESTIMATED ON SB-1	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	101,625,000.00	21,852,000.00						
Plus: Values of proposed project	20,000,000.00	6,000,000.00						
Less: Values of any property being replaced	1,000,000.00	300,000.00						
Net values upon completion of project	120,625,000.00	27,252,000.00						
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	101,625,000.00	21,852,000.00						
Plus: Values of proposed project	5,727,496.00	1,718,249.00						
Less: Values of any property being replaced								
Net values upon completion of project	107,352,496.00	23,570,249.00						

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	Title	Date signed *(month, day, year)*
[signature]	TAX MANAGER	4/22/2014