



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 2014-38: NSK Corporation

Summary:

1. On October 18th, 2010, the Franklin Common Council passed Resolution No. 2010-19, approving a 10-year tax abatement with a 5% economic development fee on personal property for NSK Corporation located at 3400 Bearing Drive. In 2013, the Franklin Common Council passed Resolution No. 2013-02, amending Resolution No. 2010-09. The investment amount was increased from \$9,440,000 to \$11,285,000.
2. Actual and estimated benefits, as projected for 2013:

	Estimated on SB-1	Actual in 2013	Difference
Current Number of Employees	204	270	66
Salaries	\$11,603,000	\$17,490,296	\$5,887,296
Employees Retained	8	8	0
Salaries	\$276,000	\$276,000	\$0
New Employees	24	24	0
Salaries	\$860,000	\$960,000	\$100,000
Total Employees	236	302	66
Total Salaries	\$12,739,000	\$18,726,296	\$5,987,296
Average Hourly Salaries	\$25.95	\$29.81	\$3.86
Personal Property Improvements	\$11,285,000	\$11,285,413	\$413

3. The company has exceeded their estimate provided on the SB-1 Form for personal property investment.
4. They have more employees than estimated on their SB-1 Form. Their estimated average hourly wage is also higher than estimated.
5. The completion date approved on their SB-1 Form was July 31, 2012. The personal property tax abatement is scheduled to expire in tax year 2021 payable 2022. Their last year for compliance review will be 2022.

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

14-38

- 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 10-19 / 13-02
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. Manufacturing, Inspection and Assembly Equipment used to produce Taper Roller Bearings.		Estimated starting date (month, day, year) 11/01/2010
		Estimated completion date (month, day, year) 07/31/2012

SECTION 3 EMPLOYEES AND SALARIES

EMPLOYEES AND SALARIES	AS ESTIMATED ON SB-1	ACTUAL
Current number of employees	204.00	270
Salaries	11,603,000.00	17,490,286.00
Number of employees retained	8.00	8
Salaries	276,000.00	278,000.00
Number of additional employees	24.00	24
Salaries	880,000.00	980,000.00

SECTION 4 COST AND VALUES

	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
AS ESTIMATED ON SB-1								
Values before project	91,700,000.00	19,885,000.00						
Plus: Values of proposed project	11,285,000.00	3,388,000.00						
Less: Values of any property being replaced								
Net values upon completion of project	102,985,000.00	23,271,000.00						
ACTUAL								
Values before project	91,700,000.00	19,885,000.00						
Plus: Values of proposed project	11,285,413.00	3,385,624.00						
Less: Values of any property being replaced								
Net values upon completion of project	102,985,413.00	23,270,624.00						

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 TAX MANAGER	Date signed (month, day, year) 4/22/2014
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