



**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 2014-39: NSK Precision America Inc.

### Summary:

1. On June 13<sup>th</sup>, 2005, the Franklin Common Council passed Resolution No. 2005-10, approving a 10-year tax abatement on real property and a 7-year tax abatement on personal property for NSK Precision America at 3450 Bearing Drive.
2. Actual and estimated benefits, as projected for 2013:

	Estimated on SB-1	Actual in 2013	Difference
Employees Retained	91	160	69
Salaries	\$4,800,000	\$7,065,238	\$2,265,238
New Employees	24	0	(24)
Salaries	\$1,800,000	\$0	-\$1,800,000
Total Employees	115	160	45
Total Salaries	\$6,600,000	\$7,065,238	\$465,238
Average Hourly Salaries	\$27.59	\$21.23	-\$6.36
Personal Property Improvements	\$572,000	\$572,000	\$0
Real Property Improvements	\$500,000	\$618,137	\$118,137

3. The company has met their estimate provided on the SB-1 Form for personal property investment and exceeded their real property investment.
4. Due to the way the current number of employees and the number of additional employees was reported on the CF-1 Form, overall NSK has exceeded the total number of employees. Their estimated average hourly wage for all employees was \$1.79 higher in 2011 and \$1.96 higher than estimated in 2012. It decreased in 2013.
5. The personal property tax abatement is scheduled to expire in tax year 2013 payable 2014. This is the final compliance review.
6. The real property tax abatement is scheduled to expire in tax year 2016 payable 2017. The final compliance review will take place in 2017.

### Staff Recommendation:

Approval



**COMPLIANCE WITH STATEMENT OF BENEFITS  
PERSONAL PROPERTY**

State Form 51766 (R / 1-06)  
Prescribed by the Department of Local Government Finance

FORM CF-1 / PP

14-39

- 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 PRECISION AMERICA, INC.	
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 05-10
Location of property 3460 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. Installation of equipment used in NPA Corp. office.		Estimated starting date (month, day, year) 05/15/2005
		Estimated completion date (month, day, year) 12/01/2005

**SECTION 3 EMPLOYEES AND SALARIES**

EMPLOYEES AND SALARIES	AS ESTIMATED ON SB-1	ACTUAL
Current number of employees	91.00	160
Salaries	4,800,000.00	7,085,238.00
Number of employees retained		
Salaries		
Number of additional employees	36.00 24	
Salaries	1,800,000.00	

**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
<b>AS ESTIMATED ON SB-1</b>								
Values before project	21,936,000.00	6,583,000.00						
Plus: Values of proposed project	572,000.00	242,000.00						
Less: Values of any property being replaced								
Net values upon completion of project	22,508,000.00	6,825,000.00						
<b>ACTUAL</b>								
Values before project	21,938,000.00	6,583,000.00						
Plus: Values of proposed project	572,000.00	242,000.00						
Less: Values of any property being replaced								
Net values upon completion of project	22,508,000.00	6,825,000.00						

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>Robert M. Hoyle</i>	Title TAX MANAGER	Date signed (month, day, year) 4/22/2014
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