



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 2014-40: NSK Precision America

Summary:

1. On July 15th, 2013, the Franklin Common Council passed Resolution No. 2013-18, approving a 10-year tax abatement with a 5% economic development fee on personal property for NSK Precision America, located at 3450 Bearing Drive.
2. Actual and estimated benefits, as projected for 2013:

	Estimated on SB-1	Actual in 2013	Difference
Employees Retained	135	160	25
Salaries	\$8,960,000	\$7,065,238	-\$1,894,762
New Employees	28	0	-28
Salaries	\$970,000	\$0	-\$970,000
Total Employees	163	160	-3
Total Salaries	\$9,930,000	\$7,065,238	-\$2,864,762
Average Hourly Salaries	\$29.29	\$21.23	-\$8.06
Personal Property Improvements	\$10,200,000	\$2,378,284	-\$7,821,716

3. The company indicated on their original application that \$2,500,000 in equipment would be purchased in 2013; \$2,600,000 in 2014; \$4,100,000 in 2015; and \$1,000,000 in 2016. The company has come very close to their estimate provided on the SB-1 Form for personal property investment in 2013.
4. They are 3 employees short of what they estimated their employee count to be, and lower on their estimated 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

14-46

- 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 13-18
Location of property 3450 BEARING DRIVE, FRANKLIN, IN 46131	County JOHNSON
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired. Machinery reconstruction & replacement to increase output & maintain quality. Creation of existing space for additional production to supply increased demand overseas.	Estimated starting date (month, day, year) 07/01/2013
	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	136.00	160
Salaries	8,980,000.00	7,065,238.00
Number of employees retained		
Salaries		
Number of additional employees	28.00	
Salaries	970,000.00	

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	29,498,000.00	8,367,000.00						
Plus: Values of proposed project	10,200,000.00	3,080,000.00						
Less: Values of any property being replaced	5,000,000.00	1,500,000.00						
Net values upon completion of project	34,698,000.00	10,197,000.00						
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	29,498,000.00	8,367,000.00						
Plus: Values of proposed project	2,378,264.00	713,492.00						
Less: Values of any property being replaced								
Net values upon completion of project	31,876,264.00	9,080,492.00						

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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