



Memorandum

To: City of Franklin Economic Development Commission
From: Krista Linke, Community Development Director
Date: April 24, 2015
Re: Case C 2015-07: KYB Manufacturing North America

Summary:

1. On October 23rd, 2006, the Franklin Common Council passed Resolution No. 2006-09, approving a 10-year tax abatement on real property and a 10-year tax abatement on personal property for KYB Manufacturing located at 2625 N. Morton Street.
2. Actual and estimated benefits, as projected for 2014:

	Estimated on SB-1	Actual in 2014	Difference
Employees Retained	660	798	138
Salaries	\$21,794,240	\$27,449,766	\$5,655,526
New Employees	51	138	87
Salaries	\$1,500,000	\$5,652,526	\$4,152,526
Total Employees	711	936	225
Total Salaries	\$23,294,240	\$33,102,292	\$9,808,052
Average Hourly Salaries	\$15.75	\$17.00	\$1.25
Personal Property Improvements	\$8,000,000	\$8,207,371	\$207,371
Real Property Improvements	\$16,000,000	\$17,000,000	\$1,000,000

3. The company has exceeded their estimate provided on their SB-1 Form for personal property investment.
4. The company has exceeded their estimate provided on their SB-1 Form for real property.
5. This is the first year that the company has exceeded their estimate for the total number of employees. The average hourly wage continues to exceed what was estimated on their SB-1 Form.
6. The tax abatements are scheduled to expire in tax year 2017 payable 2018. The final compliance review will take place in 2018.

Staff Recommendation: Approval

February 10, 2015

Mrs. Krista Linke, Director
Dept. of Planning & Economic Development
70 E. Monroe Street
Franklin, Indiana 46131

RE: Tax Abatement Compliance for KYB Americas Corporation
(f/k/a KYB Manufacturing North America)

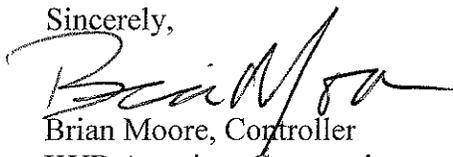
Dear Mrs. Linke:

Enclosed please find Form CF-1 (Compliance with State of Benefits) regarding compliance with the real and personal property tax abatements that were granted KYB Americas Corporation in 2005 and 2006 under Franklin Common Council Resolution Nos. 06-09 and 06-03.

As evidenced from reviewing the enclosed documents, our company has been highly successful in (1) making all of the capital investments that had been projected for the past year, and (2) creating the full complement of jobs that had been proposed in the Statement of Benefits (Form SB-1) that was approved on February 13, 2006.

Please review all of the enclosed documents. If you have any questions or concerns regarding this matter, please contact me at (317) 736-7774.

Sincerely,



Brian Moore, Controller
KYB Americas Corporation
2625 North Morton Street
Franklin, Indiana 46131



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 Brian Moore	Telephone number (317) 346-4858

SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY		
Name of designating body City of Franklin Common Council		Resolution number R 06-09
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) 10/24/2006
		Estimated completion date (month, day, year) 03/01/2009

SECTION 3 EMPLOYEES AND SALARIES		
EMPLOYEES AND SALARIES	AS ESTIMATED ON SB-1	ACTUAL
Current number of employees	660.00	798
Salaries	21,794,240.00	27,449,766.00
Number of employees retained	615.00	798
Salaries	21,794,240.00	27,449,766.00
Number of additional employees	51.00	138
Salaries	1,500,000.00	5,652,526.00

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	39,214,863.00	14,920,519.00						
Plus: Values of proposed project	8,000,000.00	3,200,000.00						
Less: Values of any property being replaced								
Net values upon completion of project	47,214,863.00	18,120,519.00						
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	8,207,371.00	2,904,305.00						
Less: Values of any property being replaced								
Net values upon completion of project	47,422,234.00	17,079,275.00						

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 Controller	Date signed (month, day, year) 2/11/15



COMPLIANCE WITH STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51786 (R2 / 1-07)

Prescribed by the Department of Local Government Finance

20 15 PAY 20 16

FORM CF-1 / Real Property

PRIVACY NOTICE

The cost and any specific individual's salary information is confidential; the balance of the filing is public record per IC 6-1.1-12.1-5.1 (c) and (d).

This statement is being completed for real property that qualifies under the following Indiana Code (check one box):

- Redevelopment or rehabilitation of real estate improvements (IC 6-1.1-12.1-4)
- Eligible vacant building (IC 6-1.1-12.1-4.8)

INSTRUCTIONS:

1. This form does not apply to property located in a residentially distressed area. (IC 6-1.1-12.1-2 (b))
2. Property owners must file this form with the County Auditor and the Designating Body for their review regarding the compliance of the project with the Statement of Benefits (SB-1 / Real Property).
3. This form must accompany the initial deduction application that is filed with the County Auditor.
4. Property owners whose Statement of Benefits was approved after June 30, 1991, must file an updated form with the County Auditor and the local Designating Body to show the extent to which there has been compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.1)
5. The updated form must be filed annually by May 15, or by the due date for the real property owner's personal property return that is filed in the township where the project is located, whichever is later. (IC 6-1.1-12.1-5.1 (b))
6. With the approval of the Designating Body, compliance information for multiple projects may be consolidated on one (1) compliance form (CF-1 / Real Property).

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, Indiana 46131			
Name of contact person Brian Moore		Telephone number (317) 346-4858	
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY			
Name of designating body City of Franklin Common Council		Resolution number R06-09	
Location of property 2625 N. Morton Street Franklin, Indiana 46131	County Johnson	DLGF taxing district number 009	
Description of real property improvements: See attached.		Estimated starting date (month, day, year) 10/24/2006	
		Estimated completion date (month, day, year) 03/01/2009	
SECTION 3 EMPLOYEES AND SALARIES			
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		660	798
Salaries		21,794,240.00	27,449,766.00
Number of employees retained		660	798
Salaries		21,794,240.00	27,449,766.00
Number of additional employees		51	138
Salaries		1,500,000.00	5,652,526.00
SECTION 4 COST AND VALUES			
COST AND VALUES		REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1		COST	ASSESSED VALUE
Values before project		11,105,428.00	7,983,000.00
Plus: Values of proposed project		16,000,000.00	10,880,000.00
Less: Values of any property being replaced			
Net values upon completion of project		27,405,428.00	18,863,000.00
ACTUAL		COST	ASSESSED VALUE
Values before project		11,405,428.00	7,983,800.00
Plus: Values of proposed project		17,000,000.00	10,880,000.00
Less: Values of any property being replaced			
Net values upon completion of project		28,405,428.00	18,863,000.00
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 CONTROLLER	Date signed (month, day, year) 2/11/15

Expansion Investment Schedule

Resolution 2006-09

KYB Manufacturing
 2625 N. Morton Street
 PO Box 490
 Franklin, IN 46131-0490

*Attachment to Form CF-1 (Compliance with Statement of Benefits):
 Expansion Investment Schedule by Quarter*

	Actual Amount of Investment as of 12/31/06 (From SB-1)	Proposed Amount of Total Investment by 12/31/07 (From SB-1)	Actual Amount of Investment For the Year 2006, 2007 (by Quarter)	Actual Total Amount of Investment as of 12/31/2009				
			2006	12/31/07	6/30/08	9/30/08	12/31/08	
Buildings & Improvements	11,405,428	16,000,000		17,000,000				17,000,000
Machinery & Equipment	39,214,863	8,000,000	1,661,225	755,274	1,789,229	2,346,733	564,008	8,366,935
Totals	50,620,291	24,000,000	1,661,225	755,274	18,789,229	2,346,733	564,008	25,366,935