



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Memorandum

To: City of Franklin Economic Development Commission
From: Krista Linke, Community Development Director
Date: March 27, 2016
Re: Case C 2016-20: 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 2015:

	Estimated on SB-1	Actual in 2015	Difference
Employees Retained	660	660	0
Salaries	\$21,794,240	\$21,794,240	\$0
New Employees	51	158	107
Salaries	\$1,500,000	\$12,533,337	\$11,033,337
Total Employees	711	818	107
Total Salaries	\$23,294,240	\$34,327,577	\$11,033,337
Average Hourly Salaries	\$15.75	\$20.18	\$4.42
Personal Property Improvements	\$8,000,000	\$8,316,068	\$316,068
Real Property Improvements	\$16,000,000	\$18,112,347	\$2,112,347

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 second 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



**COMPLIANCE WITH STATEMENT OF BENEFITS
REAL ESTATE IMPROVEMENTS**

State Form 51786 (R3 / 2-13)
Prescribed by the Department of Local Government Finance

20 16 PAY 20 17
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).

INSTRUCTIONS:

1. This form does not apply to property located in a residentially distressed area or any deduction for which the Statement of Benefits was approved before July 1, 1991.
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 (Form SB-1/Real Property).
3. This form must accompany the initial deduction application (Form 322/RE) that is filed with the county auditor.
4. This form must also be updated each year in which the deduction is applicable. It is filed with the county auditor and the designating body before May 15, or by the due date of the real property owner's personal property return that is filed in the township where the property is located. (IC 6-1.1-12.1-5.1(b))
5. With the approval of the designating body, compliance information for multiple projects may be consolidated on one (1) compliance form (Form CF-1/Real Property).

SECTION 1 TAXPAYER INFORMATION	
Name of taxpayer KYB MANUFACTURING NORTH AMERICA, INC.	County JOHNSON
Address of taxpayer (number and street, city, state, and ZIP code) 2625 NORTH MORTON STREET, FRANKLIN, IN 46131	DLGF taxing district number 41009
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 2006-09	Estimated start date (month, day, year) 10/24/2006
Location of property 2625 NORTH MORTON STREET, FRANKLIN, IN 46131		Actual start date (month, day, year) 10/24/2006
Description of real property improvements 264,300 sf addition to building, entry drive and parking enhancements, remodeling of existing areas, additional improvements		Estimated completion date (month, day, year) 03/01/2009
		Actual 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	818
Salaries	21,794,240	34,327,577
Number of employees retained	660	660
Salaries	21,794,240	21,794,240
Number of additional employees	51	158
Salaries	1,500,000	12,533,337

SECTION 4 COST AND VALUES		
COST AND VALUES	REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1	COST	ASSESSED VALUE
Values before project	11,405,428	7,983,800
Plus: Values of proposed project	16,000,000	11,200,000
Less: Values of any property being replaced		
Net values upon completion of project	27,405,428	19,183,800
ACTUAL	COST	ASSESSED VALUE
Values before project	11,405,428	5,985,624
Plus: Values of proposed project	18,112,347	8,396,876
Less: Values of any property being replaced		
Net values upon completion of project	29,517,775	14,382,500

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) 02 26 2016



**COMPLIANCE WITH STATEMENT OF BENEFITS
PERSONAL PROPERTY**

State Form 51765 (R3 / 11-15)

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 January 1, and May 15, of each year, unless a filing extension under 1C 6-1.1-3.7 has been granted. A person who obtains a filing extension must file between January 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 MANUFACTURING NORTH AMERICA, INC	County JOHNSON
Address of taxpayer (street and number, city, state and ZIP code) 2625 MORTON STREET FRANKLIN IN 46131	DLGF taxing district number 009
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 2006-09	Estimated start date (month, day, year) 10/24/2006
Location of property 2625 MORTON STREET FRANKLIN IN 46131		Actual start date (month, day, year) 10/24/2006
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 completion date (month, day, year) 03/01/2009
		Actual 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	818	
Salaries	21,794,240	34,327,577	
Number of employees retained	660	660	
Salaries	21,794,240	21,794,240	
Number of additional employees	51	158	
Salaries	1,500,000	12,533,337	

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	14,920,379						
Plus: Values of proposed project	8,000,000	3,200,000						
Less: Values of any property being replaced								
Net values upon completion of project	47,214,863	18,120,379						
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	92,760,943	24,420,321						
Plus: Values of proposed project	8,316,068	2,494,820						
Less: Values of any property being replaced								
Net values upon completion of project	101,077,011	26,915,141						

NOTE: The COST of the property is confidential pursuant to IC 6-1.1-12.1-5.8 (c).

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>Brian Moore</i>	Title Controller	Date signed (month, day, year) 02 26 2016