



CITY OF FRANKLIN

Community Development Department

Memorandum

To: City of Franklin Economic Development Commission
From: Krista Linke, Community Development Director
Date: April 18, 2016
Re: Case C 2016-34: NSK Precision America Inc.

Summary:

1. On June 13th, 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 2015:

	Estimated on SB-1	Actual in 2015	Difference
Employees Retained	91	91	0
Salaries	\$4,800,000	\$4,800,000	\$0
New Employees	24	73	49
Salaries	\$1,800,000	\$4,256,589	\$2,456,589
Total Employees	115	164	49
Total Salaries	\$6,600,000	\$9,056,589	\$2,456,589
Average Hourly Salaries	\$27.59	\$26.55	-\$1.04
Personal Property Improvements	\$572,000	\$672,733	\$100,733

3. The company has exceeded their estimate provided on the SB-1 Form for personal and 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 and was \$6.36 lower than originally estimated. It has greatly improved in 2014. The hourly wage was \$1.04 less in 2015 than estimated
5. The last year for the real property tax abatement was 2013.
6. The personal 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



February 26, 2016

City of Franklin
Attn: Krista Linke
70 East Monroe Street,
Franklin, IN 46131

Re: 2016 Tax Abatement Compliance Packet for NSK Precision America, Inc.

Dear Ms. Linke,

Please find enclosed Form CF-1/PP (Compliance with Statement of Benefits) regarding compliance with the personal property tax abatements granted to NSK Precision America, Inc. (NPA) in 2005 and 2013, under Franklin Common Council Resolution numbers 05-10 and 13-18, respectively.

As detailed in the enclosed documents, NPA has been successful in making all of the capital investments and far exceeding the full complement of jobs and salaries projected under Resolution 05-10.

The investment period for Resolution 13-18 is still ongoing. NPA is making progress toward the anticipated investment and the completion date is still scheduled for March 31, 2016.

Please contact me at (734) 913-7588 if you have any questions or concerns during your review of the enclosed documents.

Thank you,

Rachel L. Allen, CPA
Tax Manager

NSK CORPORATION

4200 Goss Road, P.O. Box 134007
ANN ARBOR, MICHIGAN 48113-4007 U.S.A.
TELEPHONE: 1-734-913-7500
FACSIMILE: 1-734-913-7510



**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 IC 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 NSK Precision America, Inc.	County Johnson
Address of taxpayer (number and street, city, state, and ZIP code) PO Box 134007, Ann Arbor, MI 48113-4007	DLGF taxing district number
Name of contact person Rachel L. Allen	Telephone number (734) 913-7588

SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY		
Name of designating body The City of Franklin Common Council	Resolution number 05-10	Estimated start date (month, day, year) 05/15/2005
Location of property 3450 Bearing Drive, Franklin, IN 46131		Actual start date (month, day, year) 05/15/2005
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 Corporate Office.		Estimated completion date (month, day, year) 12/01/2005
		Actual 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	164.00
Salaries	4,800,000.00	9,056,589.00
Number of employees retained		
Salaries		
Number of additional employees	24.00	73.00
Salaries	1,800,000.00	4,263,589.00

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	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						
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	21,936,000.00	6,583,000.00						
Plus: Values of proposed project	672,733.00	201,820.00						
Less: Values of any property being replaced								
Net values upon completion of project	22,608,733.00	6,784,820.00						

NOTE: The COST of the property is confidential pursuant to IC 6-1.1-12.1-5.6(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 	Title Tax Manager	Date signed (month, day, year) 2.26.16