



Staff Report

To: Economic Development Commission Members
From: Krista Linke, Director
Date: October 6, 2016
Re: Case EDC 2016-06 – NSK Corporation

Case EDC 2016-06 – NSK Corporation: A request for a 10-year tax abatement on \$6,625,000 of personal property investment.

Location: 3400 Bearing Drive

Summary:

- Characteristics of this location:
Existing Location – 3400 Bearing Drive



- Characteristics of this petitioner:
The NSK Corporation Bearing Plant sells automotive bearing products for the automotive and industrial markets. This includes wheel hub and taper roller bearings. The Franklin Bearing Plant initially started in 1991 as a machining center. In 1993, it expanded, adding grinding and assembly operations for generation hub I, II, III, and taper roller bearings. The Franklin facility includes a distribution center handling incoming raw materials and shipping of finished goods. Corporate support functions, such as sales, marketing, application engineering, customer service, and

administrative/financial functions, are located in Ann Arbor, Michigan. NSK has over 80 years of experience in design, development, and manufacturing of nearly every kind of anti-friction bearing.

3. Characteristics of this project:

NSK has entered into a business contract with a new customer to supply wheel bearings for the passenger car. They will begin production soon. To meet the new customer's demand, NSK will invest \$6,625,000 to update an existing line and add a new line.

4. Economic Revitalization Area (ERA):

This property was designated an ERA by Resolution 2013-20 and confirmed by Resolution 2013-21.

5. Previous Tax Abatement Received:

NSK Corporation has received several previous tax abatements. The currently have two personal property tax abatements. One 10-year Personal Property abatement with a 5% Economic Development Fee through Resolution 2010-19, and another 10-year Personal Property Abatement with a 5% Economic Development Fee through Resolution 2013-20 and 2013-21. NSK Precision America has an additional three current tax abatements, two personal and one real property.

6. ERA & Tax Abatements Findings (Personal Property):

Indiana Code Section 6-1.1-12.1-4.5 states that the following findings must be made when considering an ERA designation and the granting of tax abatement for personal property:

- a. Whether the estimate of the cost of new manufacturing equipment is reasonable for equipment of that type;
- b. Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the instillation of new manufacturing equipment;
- c. Whether the estimate of annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new manufacturing equipment;
- d. Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the installation of the new manufacturing equipment; and
- e. Whether the totality of the benefits is sufficient to justify the tax abatement.

7. City of Franklin "Tax Abatement Policy" criteria:

The "Tax Abatement Policy" section of the *City of Franklin Community Investment Incentives Summary* states that the Economic Development Commission shall use certain criteria when considering a request for tax abatement. A comparison of those criteria and the proposed request follows:

- a. *Diversification of Local Occupations:* In 2014, 12.38% of all jobs in Johnson County were in the manufacturing sector. There were 5,420 manufacturing employees in Johnson County and 1,116 of them were machine fabricated metal product manufacturing employees. NSK Corporation will retain 12 employees and add 1 additional employee as a result of this expansion.

- b. *Diversification of Local Manufacturing Employment:* According to the U.S. Census Bureau, 2014 County Business Patterns, fabricated metal manufacturing employees make up 20.6% of the manufacturing jobs in Johnson County. According to the United States Census Bureau, there were 128 manufacturing establishments in Johnson County in 2014, and 27 of them were fabricated metal product manufacturing establishments.
- c. *Increase in Local Salaries:* The average wage for all industries in Johnson County for 2014 was \$17.02. The average hourly wage in Johnson County for manufacturing in 2014 was \$23.18 per hour. The average hourly wage (without benefits) for the 12 jobs being retained is \$16.50 (\$411,840 divided by 12 jobs, divided by 52 weeks, divided by 40 hours per week). The average hourly wage for the 1 new job being created is \$27.50 (\$57,200 divided by 1 job, divided by 52 weeks, divided by 40 hours per week).
- d. *Sustainable Land Use:* The petitioner proposes to make this investment at their current location.
- e. *Future Community Investment:* The Company has indicated on their applications that they are agreeable to a 5% Economic Development Fee on Personal Property.
- f. *Conformance with the Comprehensive Plan:* The Comprehensive Plan - Future Land Use Plan identifies this property as Manufacturing. Manufacturing areas are intended to accommodate large scale businesses that produce finished products from raw materials. Uses in these areas may include product manufacturers as well as any related warehousing and offices. Manufacturing areas may include facilities that involve emissions or the outdoor storage of materials and finished products. These two factors are the primary distinction between manufacturing areas and light industrial areas.

The property is zoned IG, Industrial: General. The "IG," Industrial: General zoning district is intended to provide locations for general industrial manufacturing, production, assembly, warehousing, research and development facilities, and similar land uses. This district is intended to accommodate a variety of industrial uses in locations and under conditions that minimize land use conflicts. This district should be used to support industrial retention and expansion in Franklin.

8. Tax Abatement Duration:

The *City of Franklin Community Investment Incentives Summary* provides that longer periods of abatement on real and personal property may be considered for requests of an exceptional nature. The Summary states that development examples of an exceptional nature include projects which:

- a. Create a new plant or product line for an existing manufacturer;
- b. Creates substantial employment opportunities with higher than average wages;
- c. Increase substantially property values and the city tax base with minimal impact to city services (police & fire protection, schools, utilities, infrastructure, etc.); and
- d. Utilize existing public infrastructure (sanitary & storm sewer, roads & streets, drainage facilities, and other utilities).

9. Requested Effective Year:

The petitioner has requested that, if approved, the tax abatement be effective for the tax year 2017, payable 2018.

Staff Comments:

Making use of an existing facility and strengthening the viability of an existing company within the City of Franklin is critical to Franklin's economy. The low number of new jobs and the average hourly salaries of the jobs being retained should be taken into consideration when determining the length of the abatement.

3 YEAR

NSK Corporation

Sample Property Tax on Personal Property (3 Year)

Personal Property Tax Investment: \$6,625,000

Tax Rate: 3.0%

	2017 Payable 2018	2018 Payable 2019	2019 Payable 2020	
Cost of Equipment	\$6,625,000	\$6,625,000	\$6,625,000	
True Cash Percentage Rate	65%	50%	35%	
True Cash Value	\$4,306,250	\$3,312,500	\$2,318,750	
Net Tax Rate	3.0%	3.0%	3.0%	Total
Tax w/o Abatement	\$129,188	\$99,375	\$69,563	\$298,125
Abatement Rate	100%	66%	33%	
Amount Abated	\$129,188	\$65,588	\$22,956	Total
Taxes Paid w/Abatement	\$0	\$33,788	\$46,607	\$80,394

Total Fees Paid

5% Fee	\$6,459	\$3,279	\$1,148	\$10,887
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**Total Tax Savings without Economic Development Fee
\$217,731**

**Total Tax Savings with 5% Economic Development Fee
\$206,844**

5 YEAR

NSK Corporation

Sample Property Tax on Personal Property (5 Year Period)

Personal Property Tax Investment: \$6,625,000

Tax Rate: 3.0%

	2017 Payable 2018	2018 Payable 2019	2019 Payable 2020	2020 Payable 2021	2021 Payable 2022	
Cost of Equipment	\$6,625,000	\$6,625,000	\$6,625,000	\$6,625,000	\$6,625,000	
True Cash Percentage Rate	40%	56%	42%	32%	24%	
True Cash Value	\$2,650,000	\$3,710,000	\$2,782,500	\$2,120,000	\$1,590,000	
Net Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	
Tax w/o Abatement	\$79,500	\$111,300	\$83,475	\$63,600	\$47,700	Total \$385,575
Abatement Rate	100%	80%	60%	40%	20%	
Amount Abated	\$79,500	\$89,040	\$50,085	\$25,440	\$9,540	Total \$131,970
Taxes Paid w/Abatement	\$0	\$22,260	\$33,390	\$38,160	\$38,160	

						Total Fees Paid
5% Fee	\$3,975	\$4,452	\$2,504	\$1,272	\$477	\$12,680

**Total Tax Savings without Economic Development Fee
\$253,605**

**Total Tax Savings with 5% Economic Development Fee
\$240,925**

7 YEAR

NSK Corporation

Sample Property Tax on Personal Property (7 Year Period)

Personal Property Tax Investment: \$6,625,000

Tax Rate: 3.0%

	2017 Payable 2018	2018 Payable 2019	2019 Payable 2020	2020 Payable 2021	2021 Payable 2022	2022 Payable 2023	2023 Payable 2024	
Cost of Equipment	\$6,625,000	\$6,625,000	\$6,625,000	\$6,625,000	\$6,625,000	\$6,625,000	\$6,625,000	
True Cash Percentage Rate	40%	56%	42%	32%	24%	18%	15%	
True Cash Value	\$2,650,000	\$3,710,000	\$2,782,500	\$2,120,000	\$1,590,000	\$1,192,500	\$993,750	
Net Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	Total
Tax w/o Abatement	\$79,500	\$111,300	\$83,475	\$63,600	\$47,700	\$35,775	\$29,813	\$451,163
Abatement Rate	100%	85%	71%	57%	43%	29%	14%	
Amount Abated	\$79,500	\$94,605	\$59,267	\$36,252	\$20,511	\$10,375	\$4,174	Total
Taxes Paid w/Abatement	\$0	\$16,695	\$24,208	\$27,348	\$27,189	\$25,400	\$25,639	\$146,479

								Total Fees Paid
5% Fee	\$3,975	\$4,730	\$2,963	\$1,813	\$1,026	\$519	\$209	\$15,234

**Total Tax Savings without Economic Development Fee
\$304,684**

**Total Tax Savings with 5% Economic Development Fee
\$289,450**

10 YEAR

NSK Corporation

Sample Property Tax on Personal Property (10 Year Period)

Personal Property Tax Investment: \$6,625,000

Tax Rate: 3.0%

	2017 <i>Payable 2018</i>	2018 <i>Payable 2019</i>	2019 <i>Payable 2020</i>	2020 <i>Payable 2021</i>	2021 <i>Payable 2022</i>	2022 <i>Payable 2023</i>	2023 <i>Payable 2024</i>	2024 <i>Payable 2025</i>	2025 <i>Payable 2026</i>	2026 <i>Payable 2027</i>
Cost of Equipment	\$6,625,000	\$6,625,000	\$6,625,000	\$6,625,000	\$6,625,000	\$6,625,000	\$6,625,000	\$6,625,000	\$6,625,000	\$6,625,000
True Cash Percentage Rate	40%	60%	55%	45%	37%	30%	25%	20%	16%	12%
True Cash Value	\$2,650,000	\$3,975,000	\$3,643,750	\$2,981,250	\$2,451,250	\$1,987,500	\$1,656,250	\$1,325,000	\$1,060,000	\$795,000
Net Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Tax w/o Abatement	\$79,500	\$119,250	\$109,313	\$89,438	\$73,538	\$59,625	\$49,688	\$39,750	\$31,800	\$23,850
Abatement Rate	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%
Amount Abated	\$79,500	\$107,325	\$87,450	\$62,606	\$44,123	\$29,813	\$19,875	\$11,925	\$6,360	\$2,385
Tax Paid w/Abatement	\$0	\$11,925	\$21,863	\$26,831	\$29,415	\$29,813	\$29,813	\$27,825	\$25,440	\$21,465

**Total
\$675,750**

**Total
\$224,389**

Total Fees Paid

5% Fee	\$3,975	\$5,366	\$4,373	\$3,130	\$2,206	\$1,491	\$994	\$596	\$318	\$119
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\$22,568

**Total Tax Savings without Economic Development Fee
\$451,361**

**Total Tax Savings with 5% Economic Development Fee
\$428,793**



CITY OF FRANKLIN
COMMUNITY DEVELOPMENT DEPARTMENT

Tax Abatement Application

Organization/Corporation Requesting Tax Abatement

Organization/Corporation Name: NSK Corporation
Primary Contact Name: Rachel Allen, CPA - Tax Manager
Contact Address: P.O. Box 134007
City: Ann Arbor State: MI Zip: 48113-4007
Phone Number: 734-913-7588
Email: allenr@nsk-corp.com
Three possible dates before the EDC meeting to conduct a site visit: 9/19/16, 9/23/16, 10/2/16
Name of Owner: _____
Parent Company (If Applicable): NSK Americas, Inc.

Primary Contact for Yearly Compliance Reports

Name: Rachel Allen, CPA
Title: Tax Manager
Address: P.O. Box 134007
City: Ann Arbor State: MI Zip: 48113-4007
Phone Number: 734-913-7588
Email: allenr@nsk-corp.com

Description of Project

Project Location/Address: 3400 Bearing Drive, Franklin, IN 46131
Parcel Number: 41-05-34-042-008.000-009, 41-05-34-042-005.000-009, 41-99-31-001-112.000-009
Brief Description of Project:

NSK has entered into a business contract with a new customer to supply wheel bearings for the passenger car they will begin producing soon. To meet the new customer's demand, NSK will invest \$6.625m to update an existing line and add a new line.

Current Assessed Value (AV) of the Property:

- | | |
|--------------|--|
| 1. Land | <u>\$947,800</u> |
| 2. Building | <u>\$3,792,600</u> |
| 3. Inventory | _____ |
| 4. Equipment | <u>\$23,253,530 (gross of existing abatements)</u> |

Have building permits been applied for (if applicable): Yes No
Has equipment been installed (if applicable): Yes No

Required Attachments:

- | | |
|---|--|
| <input type="checkbox"/> Completed SB-1 Form(s) | <input type="checkbox"/> Summary of Benefits (if applicable) |
| <input type="checkbox"/> Legal Description of the Property | <input type="checkbox"/> Employment Phase-In Schedule |
| <input type="checkbox"/> Company Financial Statement | <input type="checkbox"/> Company Investment Timetable |
| <input type="checkbox"/> Job and Wage Description Information Sheet | <input type="checkbox"/> Compliance Affidavit |

Type of Abatement Requested

Real Property Personal Property
Length of Abatement Requested: 10 Years
Project Size (square feet): 5,840 square feet Size of Site (acres): 36.183
Type of Building:
Multiple Tenants (leased) Single Tenant (leased) Owner Occupied Corporate Headquarters

Capital Investment

- 1. Real property capital investment only: \$0
- 2. Personal property capital investment only: \$6,625,200
- 3. Total capital investment for proposed project: \$6,625,200

Jobs Created and/or Retained

- 1. Estimated number of full time jobs created by the proposed project: 1
- 2. Estimated number of full time jobs retained as a direct result of the proposed project: 12
- 3. Total number of full time jobs upon project completion: 254

Wages Created and Retained

- 1. Average hourly wage rate for new jobs (w/o benefits) \$27.50
- 2. Average hourly wage rate for jobs retained (w/o benefits) \$16.50

***In addition to answering these questions, please fill out the Job and Wage Description for Tax Abatement Application information sheet and submit it with the application as an attachment.

Please explain why the abatement incentive is necessary to the project: Attach additional sheets as necessary.

Global pricing and distribution of our products continue to push for lower prices and higher output. A reduction in property tax expense will allow us to stay competitive in the market and retain jobs in Franklin.

Company Information

How long has the company been in existence? 43 years
Current address of company headquarters and duration at that address: _____
4200 Goss Road, Ann Arbor, MI 48105 - 14 years at this location

Approximate percentage of employees at current location who live in the City of Franklin and/or Johnson County: 65%

Have you ever received tax abatement at your current location? Yes No

If yes, when and for what term? March 2012 (10 years), February 2013 (10 years)

What specifically has the company done to give back to the community:

NSK's primary organized efforts are in support of the United Way of Johnson County and American Cancer Society's Relay for Life. For United Way, NSK has one member on the Board of Directors and others who support committee positions including the allocation committee and the loaned executive program. During 2012-2015, NSK Corporation raised \$167k in employee contributions and corporate match.

While acting as a strong advocate for using economic incentives to help applicants expand and/or locate in the community, the City of Franklin also strives to enrich the quality of life for its citizens. To that end, the City embraces the use of voluntary economic development fees as allowed under Indiana law (IC 6-1.1-12.1-14). These fees are directed by the City to local nonprofit organizations to bolster their economic development efforts. The fee can be applied on both real and personal property abatements. The fee is collected annually by the County Treasurer as a special assessment on the tax bill and is distributed by the City to the designated economic development nonprofit organization. Typically, 2% is charged on Real Property and 5% is charged on Personal Property. The fee is a percentage of the abatement received. For example, instead of receiving 100% abatement in the first year, the company receives a 95% abatement, with the 5% difference going to support local economic development. More information can be found on the City's website (www.franklin.in.gov) under the Economic Development tab.

Is the company agreeable to the Economic Development Fee? Yes No

If yes, at what percent(s)? 5%



**STATEMENT OF BENEFITS
PERSONAL PROPERTY**

State Form 51784 (R / 1-06)
Prescribed by the Department of Local Government Finance

FORM SB-1 / PP

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:

- This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body **BEFORE** a person installs the new manufacturing equipment and/or research and development equipment, and/or logistical distribution equipment and/or information technology equipment for which the person wishes to claim a deduction. "Projects" planned or committed to after July 1, 1987, and areas designated after July 1, 1987, require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
- Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to installation of the new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment, **BEFORE** a deduction may be approved
- To obtain a deduction, a person must file a certified deduction schedule with the person's personal property return on a certified deduction schedule (Form 103-ERA) with the township assessor of the township where the property is situated. The 103-ERA must be filed between March 1 and May 15 of the assessment year in which new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment is installed and fully functional, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between March 1 and the extended due date of that year.
- Properly owners whose Statement of Benefits was approved after June 30, 1991, must submit Form CF-1 / PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
- The schedules established under IC 6-1.1-12.1-4.5(d) and (e) apply to equipment installed after March 1, 2001. For equipment installed prior to March 2, 2001, the schedules and statutes in effect at the time shall continue to apply. (IC 6-1.1-12.1-4.5(f) and (g))

SECTION 1 TAXPAYER INFORMATION

Name of taxpayer NSK Corporation	
Address of taxpayer (number and street, city, state, and ZIP code) P.O. Box 134007, Ann Arbor, MI 48113	
Name of contact person Rachel Allen, CPA	Telephone number (734) 913-7588

SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body City of Franklin Common Council		Resolution number (s)	
Location of property 3400 Bearing Drive, Franklin, IN 46131	County Johnson	DLGF taxing district number	
Description of manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment. (use additional sheets if necessary) Grinding, machining, assembly, and inspection equipment to produce hub bearings for the automotive passenger car market	ESTIMATED		
		START DATE	
		COMPLETION DATE	
	Manufacturing Equipment	1/1/2017	5/31/2017
	R & D Equipment		
Logist Dist Equipment			
IT Equipment			

SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT

Current number 254	Salaries \$11,935,389.00	Number retained 12	Salaries \$411,840.00	Number additional 1	Salaries \$57,200.00
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SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT

NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Current values	\$118,418,041.00							
Plus estimated values of proposed project	\$6,625,200.00							
Less values of any property being replaced	\$322,034.00							
Net estimated values upon completion of project	\$124,721,207.00							

SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER

Estimated solid waste converted (pounds) 0.00	Estimated hazardous waste converted (pounds) 0.00
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Other benefits:

SECTION 6 TAXPAYER CERTIFICATION

I hereby certify that the representations in this statement are true.

Signature of authorized representative 	Title Plant Manager	Date signed (month, day, year) 9-26-2016
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FOR USE OF THE DESIGNATING BODY

We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

A. The designated area has been limited to a period of time not to exceed _____ calendar years * (see below). The date this designation expires is _____.

- B. The type of deduction that is allowed in the designated area is limited to:
- | | | |
|--|------------------------------|-----------------------------|
| 1. Installation of new manufacturing equipment; | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. Installation of new research and development equipment; | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. Installation of new logistical distribution equipment. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 4. Installation of new information technology equipment; | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

C. The amount of deduction applicable to new manufacturing equipment is limited to \$ _____ cost with an assessed value of \$ _____.

D. The amount of deduction applicable to new research and development equipment is limited to \$ _____ cost with an assessed value of \$ _____.

E. The amount of deduction applicable to new logistical distribution equipment is limited to \$ _____ cost with an assessed value of \$ _____.

F. The amount of deduction applicable to new information technology equipment is limited to \$ _____ cost with an assessed value of \$ _____.

G. Other limitations or conditions (specify) _____

H. The deduction for new manufacturing equipment and/or new research and development equipment and/or new logistical distribution equipment and/or new information technology equipment installed and first claimed eligible for deduction on or after July 1, 2000, is allowed for:

- | | |
|-------------------------------------|--------------------------------------|
| <input type="checkbox"/> 1 year | <input type="checkbox"/> 6 years |
| <input type="checkbox"/> 2 years | <input type="checkbox"/> 7 years |
| <input type="checkbox"/> 3 years | <input type="checkbox"/> 8 years |
| <input type="checkbox"/> 4 years | <input type="checkbox"/> 9 years |
| <input type="checkbox"/> 5 years ** | <input type="checkbox"/> 10 years ** |

** For ERA's established prior to July 1, 2000, only a 5 or 10 year schedule may be deducted.

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved: (signature and title of authorized member)	Telephone number	Date signed (month, day, year)
Attested by:	Designated body	

* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.1-12.1-4.5

**JOB AND WAGE DESCRIPTION
FOR TAX ABATEMENT APPLICATION**

Please provide the following job and wage earning information that is associated with this Tax Abatement Petition (*Please specify all wages in an hourly format without benefits*):

- (1) Company NAICS code: 332991.
- (2) The total number of jobs current at the site: 254, the number of those jobs that will be retained as a direct result of the proposed investment 12, and the number of new jobs which will be created as a direct result of the proposed investment 1.
- (3) The total number of full-time employees at the site: 253.
- (4) The total number of temporary and/or contract employees currently at the site: 26.
- (5) The average hourly wages for the new jobs: \$27.50.
- (6) Will the new jobs being created begin as temporary and/or contract employees? No - Full Time
If yes, please provide an explanation of the typical transition process to full time:

- (7) Number of new and/or retained jobs in:
 - (a) Managerial/Professional Specialty Occ.: ____ Average Hourly Wage: _____
 - (b) Technical/Sales/Admin. Support Occ.: 1 Average Hourly Wage: \$27.50
 - (c) Service Occ.: ____ Average Hourly Wage: _____
 - (d) Precision Production/Craft/Repair Occ.: ____ Average Hourly Wage: _____
 - (e) Operators/Fabricators/Laborers: 12 Average Hourly Wage: \$16.50

Note: The total number of jobs specified above should correspond with the Statement of Benefits Form SB-1.

- (8) **Attach detailed information on the types of benefits offered for new employees. A description of all possible bonuses and incentives should also be given if provided.**

**ENVIRONMENTAL, LAND USE, AND
PERMITTING COMPLIANCE AFFIDAVIT**

I, Brian P. Parsons, (representative) on behalf of NSK Corporation (company) represent that, except to the extent that the City of Franklin has been given written notice of any environmental, chemical, or waste hazards or violations prior to the date of this affidavit, the petition and project plan of NSK Corporation (company) does not contemplate, contain, nor anticipate:

- (1) any violation(s) of City of Franklin Municipal codes and/or ordinances;
- (2) any violation(s) of applicable zoning ordinances;
- (3) any violation(s) of site plan review and/or building permit requirements;
- (4) any violation(s) of federal or state laws, including but not limited to OSHA and ADA, and all other regulations regarding safety, land use, and access;
- (5) any violation(s) of federal or state laws, including but not limited to the creation, maintenance, utilization, control, handling, existence, and/or disposal of hazardous waste, chemicals, conditions, equipment, materials, entities, or components as defined under federal and/or state law.

Further, NSK Corporation (company) states that the construction and operation of the proposed facility will in no way result in any discharges which will result in interruptions, inconsistencies, or failures in the operation of the Franklin Wastewater Treatment facility. The petitioner understands that the violation of any element of this affidavit may result in the revocation of any tax abatements or other economic incentives which may have been granted by the City of Franklin.

B. P. Parsons

Petitioner

9/20/2016

Date

STATE OF Michigan
COUNTY OF Washtenaw SS:

Subscribed and sworn to before me on this 20 Day of sep, 2014.

My Commission Expires: 2019

Wendy Beebe

Notary Public

WENDY BEEBE
Notary Public, State of Michigan
County of Wayne
My Commission Expires 10-03-2019
Acting in the County of Washtenaw

NSK Corporation
Company Investment Timetable
Franklin Abatement Application

	<u>Machinery</u>
2017 Q1	2,625,200
2017 Q2	4,000,000
2017 Q3	-
2017 Q4	-
Total	<u>6,625,200</u>

NSK Corporation
Company Headcount Timetable
Franklin Abatement Application

	Engineer (new)	Machine Operators (retained)
2016 Q1	-	-
2016 Q2	-	-
2016 Q3	-	-
2016 Q4	1	-
2017 Q1	-	12
2017 Q2	-	-
2017 Q3	-	-
2017 Q4	-	-
Total	1	12

NSK Corporation
Legal Description of Property Attachment
Franklin Abatement Application

<u>Parcel</u>	<u>Legal Description</u>	<u>Acreage</u>	<u>Land Type</u>
41-05-34-042-005.000-009	SW 1/4 SE 1/4 S34 T13 R4	5.313	Undeveloped Unusable
41-05-34-042-008.000-009	SW SE S34 T13 R4	15.000	Primary
		11.440	Undeveloped Usable
		2.608	Tillable Land
		1.822	Tillable Land
41-99-31-001-112.000-009	Personal Property		



This document is intended to be a short reference about the benefits provided to you by NSK. It is not, nor is it intended to be a detailed description of the benefit plan, documents and/or policies. Due to space limitations, the technical details and requirements of the benefit plans have not been included in this summary. In case of questions, the actual plan documents and/or Company policies will govern.

Additionally, this pamphlet is not a guarantee that the current benefits provided to you by NSK will not be changed or terminated in the future. NSK specifically reserves the right to change or terminate any part or all of any benefit at any time at its discretion.

MEDICAL & PRESCRIPTION DRUG COVERAGE

NSK partners with Blue Cross Blue Shield (BCBS) for medical and prescription coverage. The plan is designed to help you obtain proper medical care for you and for your eligible dependents in the event of non-occupational illness or injury, pregnancy, and other medical situations. BCBS has a large national network of screened doctors and hospitals that have agreed to provide medical services at discounted rates. BCBS offers step therapy as an automated process that provides coverage for one or more affordable drugs before extending coverage to other more expensive drugs. The program directs you to reasonably priced medications before moving toward more expensive drugs. NSK offers a mail order program through Medco Mail Order for a 90-day supply of prescriptions taken on an ongoing basis. NSK sponsors a Wellness Program through Circle Health Partners, employees and spouses are required to complete a health screening each year which starts in June and runs through the middle of September each year. Your biometric screenings results determine whether or not you will need to pay a medical plan surcharge for the following plan year. NSK shares the benefit and administrative costs of the plan with employees.

Eligibility: All regular, full time employees are eligible for medical care coverage as of the first day of the month following 30 days of employment.

In-Network Preventative Care	100% Coverage
In-Network Deductible	\$850 Single / \$1,700 Family
In-Network Co-Insurance	\$80%
In-Network Out of Pocket Maximum	\$3,500 Single / \$7,000 Family

DENTAL CARE

NSK has partnered with Delta Dental PPO. Our plan is designed to promote good dental health through preventative care and regular checkups; Delta Dental PPO provides a network of preferred dental providers. You can lower your out-of-pocket costs by going to a PPO or Premier Dentist. NSK shares the benefit and administrative costs of the plan with the employees.

Eligibility: All regular, full time employees are eligible for dental care coverage as of the first day of the month following 30 days of employment.

Annual Deductible	\$50 Single / \$150 Family
Preventative Care (Class I)	100% (no deductible)
Annual Maximum	\$1,250

VISION

Our vision plan promotes wellness through a comprehensive eye care program. The program is designed to provide periodic eye examinations as well as corrective eyewear and other services in order to meet you and your dependent's visual needs.

Eligibility: All regular, full-time employees are eligible for vision care coverage on the first day of the month following 30 days of employment. NSK has partnered with Vision Service Plan (VSP). NSK offers two options with the Vision Plan – a Core Plan and a Buy-Up Plan.

FLEXIBLE SPENDING ACCOUNTS

Coinciding with the benefit effective dates, you will have an opportunity to participate in a Flexible Spending Account for medical, dental and vision expenses and/or the Dependent Care Spending Account. This lets you pay for health care and day care expenses with tax-free dollars.

401(k) PLAN

NSK offers a 401(k) Plan that is intended to make it easier for you to save for your retirement. NSK partners with Fidelity Investment Services. This allows you to make pre-tax salary deferral contributions and enables you to direct the investment of these monies among a number of investment options. The Plan has loan options and allows hardship withdrawals for specific purposes. Penalties are imposed by law for early withdrawals and the monies withdrawn are added to an employee's taxable income for the year the funds are withdrawn.

Eligibility: Salaried and full-time hourly employees have immediate eligibility and part-time hourly employees must meet eligibility requirements of the plan. Should you choose to make salary deferrals to the 401(k) plan, NSK will match 100% of the first 6% of your salary deferral per pay period. The company matching contributions will have immediate 100% vesting.

Additional Benefits

Short Term and Long Term Disability – Helps to replace lost income if you become disabled and are no longer able to work due to a non-occupational illness or injury. All regular, full-time employees are eligible for coverage as of the first day of the month following 30 days of employment.

Life Insurance and Accidental Death and Dismemberment Insurance – While actively employed, NSK will provide you with Group Life Insurance and AD&D coverage at one times your salary up to a maximum of \$50,000.

Voluntary Term Life and Voluntary Accidental Death and Dismemberment Insurance – You may choose additional coverage for you, your spouse and children (at your own expense) for an additional amount.

Voluntary Critical Illness and Accident Insurance – Both options offer cash benefits to you in the event you experience an accident or are diagnosed with a critical illness.

Vacation – Upon completion of your first full month of employment you will begin to earn vacation hours. There is a 90-day delay before new hires may start utilizing vacation hours.

Holidays – NSK provides 13 paid holidays per calendar year, three (3) of which are designated as floating holidays that you can use throughout the year. Depending on your hire date, the floating holidays may be pro-rated in the first year.

Tuition Reimbursement – NSK employees approved for tuition reimbursement are eligible for 70% of tuition costs up to an annual cap of \$5,000. (Lifetime cap = \$15,000).

Matching Gifts – NSK will match an employee gift to an approved college from \$25 up to \$1,000 in one calendar year. The gift must be a personal gift and not merely a pledge. Must be an active, full-time employee with one or more years of continuous service at the time the gift was issued.

Employee Assistance Program (EAP) – NSK offers a confidential, free EAP plan through Ulliance. The EAP can help employees and family members with various types of personal problems, such as family/marital stress, substance abuse, etc. The service is provided at no cost to the employee. Licensed professionals are available to help 24/7 through phone consultations.

Consumerism Card - Consumerism Card includes Teledoc Services, Legal Care Direct, Safe Identity, Health Advocacy Services and a number of discount programs. You must choose to enroll in the program. NSK pays a portion of the cost but you pay a nominal fee per pay on a post-tax basis.

Travel Assistance Program – NSK offers free medical assistance and other services when you are traveling 100 miles or more away from home.