



CITY OF FRANKLIN

DEPARTMENT OF PLANNING & ECONOMIC DEVELOPMENT

Memorandum

To: City of Franklin Economic Development Commission
From: Krista Linke, Director of Planning & Economic Development
Date: April 2, 2012
Re: Case C 2012-35: NSK Corporation

Summary:

1. On April 26th, 2004, the Franklin Common Council passed Resolution No. 2004-03, approving a 7-year tax abatement on personal property for NSK Corporation located at 3400 Bearing Drive.
2. Actual and estimated benefits, as projected for 2010:

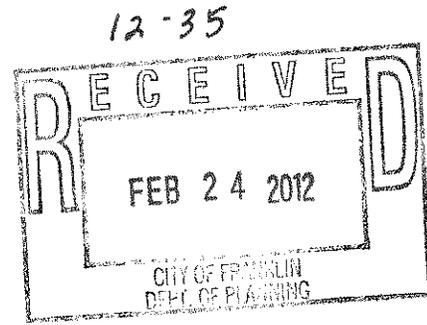
	Estimated on SB-1	Actual in 2011	Difference
Employees Retained	250	249	-1
Salaries	\$14,000,000	\$14,250,952	\$250,952
New Employees	15	15	0
Salaries	\$500,000	\$500,000	\$0
Total Employees	265	264	-1
Total Salaries	\$14,500,000	\$14,750,952	\$250,952
Average Hourly Salaries	\$26.31	\$26.86	\$0.56
Personal Property Improvements	\$8,282,810	\$8,282,808	-\$2

3. The company has met their estimate provided on the SB-1 Form for personal property investment.
4. NSK reported last year that at the end of 2010 they had a total of 213 employees. They have significantly increased their number of employees to 264 at the end of 2011. Their estimated average hourly wage is slightly higher than estimated.
5. The personal property tax abatement is scheduled to expire in tax year 2011 payable 2012. This should be their final compliance review.

Staff Recommendation:

Approval

NSK Corporation
3400 Bearing Drive
Franklin, IN 46131



February 22, 2012

Ms. Krista Linke
Director of Planning & Economic Development
44 North Jackson St.
Franklin, IN 46131

Re: Tax Abatement Compliance for NSK Corporation

Dear Ms. Linke:

Enclosed please find Form CF-1 (Compliance with Statement of Benefits) regarding compliance with the personal property tax abatements which were granted to NSK Corporation in 2004 under Franklin Common Council Resolution No. 04-03.

As can be seen from reviewing the enclosed documents, our company has successfully completed (a) making all the capital investment which had been projected and (b) initially created the full complement of jobs which had been proposed in the Statement of Benefits (Form SB-1) which was approved on April 26, 2004.

Business has continued to recover from the economic downturn in 2008 although, our headcount ended 2011 under the initial number submitted by 1 person. In March of 2009 our headcount had dropped to 159. We have since added back 90 jobs ending 2011 with 249 employees. Without the equipment covered under this abatement that recovery would not have been possible.

Please review all of the enclosed documents, and if you have any questions or concerns regarding this matter, please feel free to contact me.

Sincerely,

Joe Stark
Accounting Manager
NSK Corporation

Enclosures



**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 <i>NSK Corporation</i>	
Address of taxpayer (number and street, city, state, and ZIP code) <i>P.O. Box 134007 Ann Arbor, MI 48113-4007</i>	
Name of contact person <i>Robert Wozniak</i>	Telephone number <i>(734) 913-7589</i>

SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY		
Name of designating body <i>Franklin City Common Council</i>		Resolution number <i>04-03</i>
Location of property <i>3400 Bearing Drive Franklin, IN 46131</i>	County <i>Johnson</i>	DLGF taxing district number
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired.		Estimated starting date (month, day, year) <i>01-01-03</i>
		Estimated completion date (month, day, year)

SECTION 3 EMPLOYEES AND SALARIES			
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		<i>250</i>	<i>249</i>
Salaries		<i>14,000,000</i>	<i>14,250,952</i>
Number of employees retained		<i>250</i>	<i>249</i>
Salaries		<i>14,000,000</i>	<i>14,250,952</i>
Number of additional employees		<i>15</i>	<i>15</i>
Salaries		<i>500,000</i>	<i>500,000</i>

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	<i>80,000,000</i>	<i>18,000,000</i>						
Plus: Values of proposed project	<i>8,282,810</i>	<i>2,484,843</i>						
Less: Values of any property being replaced								
Net values upon completion of project	<i>88,282,810</i>	<i>20,484,843</i>						
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	<i>83,800,943</i>	<i>19,187,567</i>						
Plus: Values of proposed project	<i>8,282,808</i>	<i>2,484,843</i>						
Less: Values of any property being replaced								
Net values upon completion of project	<i>92,083,751</i>	<i>21,672,410</i>						

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 <i>Jon R Stone</i>	Title <i>Accounting Manager</i>	Date signed (month, day, year) <i>2-21-12</i>

Franklin Investment Listing for Resolution 04-03

NSK Corporation

Asset No	Description	Acq Mth	Acq Yr	Acq Value
22000605001	GAGES FOR GX6 52BWKH02M			
2200UFAZZ027	TAP CHECKER	11	2003	23,500.00
2200UFAZZ028	RIGIDITY CHECKER	11	2003	43,127.06
2200UFAZZ029	FLANGE RUN-OUT MEASURING MACHINE	11	2003	82,460.00
2200UFAZZ030	SENSOR CHECKING MACHINE	11	2003	90,980.37
2200UFAZZ031	TAPPED HOLE CHECKER	11	2003	56,537.37
2200UFEAZ039	BOLT PRESS MACHINE	6	2003	65,219.46
2200UFEAZ040	CAP INSERTION MACHINE	11	2003	77,172.86
2200UFEDA020	RUST PREVENTION MACHINE	11	2003	49,002.15
2200UFGAT014	OUTER RING RACEWAY GRIND MACHINE	11	2003	76,477.98
2200UFGPA017	DATUM DIAMETER GRIND MACHINE	11	2003	197,779.34
2200UFGPA018	SPINDLE RACEWAY GRIND MACHINE	11	2003	196,442.38
2200UFKGB010	VIBRATION CHECKER	11	2003	198,733.96
2200UFPRA005	SWAGING MACHINE	11	2003	112,384.40
2200UFSSJ019	SPINDLE RACEWAY SUPERFINISH	11	2003	276,912.95
2200UFSSR014	OUTER RING RACEWAY SUPERFINISHER	11	2003	122,111.09
2200UFZHP034	INNER RING FEEDER	11	2003	134,505.06
2200UZLMO15	VISUAL INSPECTION TABLE	11	2003	58,085.84
220HP0106902	SHIPPING CARTS	11	2003	31,350.37
220HP0107101	BDZ432-E TOOLING	3	2003	107,000.00
220HP0107201	45-12 TOOLING	3	2003	37,357.00
220HP0107301	AFTER PROCESS GAGE	1	2003	50,580.01
220HP0107401	42-19 TOOLING	1	2003	25,755.00
220HP0107501	TORQUE CONTROLLED FEEDBACK ASSEMBLY UNIT	1	2003	12,442.51
220HP0107601	GMT 3 IS RUN OUT REDUCTION	6	2003	11,672.00
220HP0107701	49-31 GAGES/TOOLING	7	2003	286,828.25
220HP0107801	45-10 TOOLING	5	2003	37,652.74
220HP0107901	INSTALLATION OF 3C4	7	2003	185,127.74
220HP0108001	CNC LATHE MACHINE	9	2003	246,017.40
220HP0108101	INNER RING GRIND MACHINE	9	2003	93,300.00
220HP0108201	MATERIAL HANDLING SYSTEM FOR B1	9	2003	160,106.90
220HP0108301	MATERIAL HANDLING SYSTEM OUTER RING	9	2003	147,009.00
220HP0108302	MATERIAL HANDLING SYSTEM B2-RING	9	2003	52,810.45
220HP0108303	TRAYCHANGER	9	2003	36,906.80
220HP0108304	TRAYCHANGER	9	2003	65,148.84
220HP0108305	WASHING MACHINE FOR A RING	9	2003	54,045.15
220HP0108306	OVER HEAD LOADER FOR A RING	9	2003	76,751.15
220HP0108307	WASHING MACHINE FOR B2 RING	9	2003	26,842.97
220HP0108308	OVERHEAD CONVEYOR FOR B-2 RING	9	2003	77,115.02
220HP0108309	MEASURING EQUIPMENT FOR GRIND	9	2003	75,938.39
220HP0108401	CNC LATHE MACHINE	9	2003	4,406.66
220HP0108501	3C3 INSTALLATION	9	2003	270,156.32
220HP0108601	MEASURING MACHINE	11	2003	238,289.49
220HP0108701	BALL INSERTION MACHINE	11	2003	144,459.36
220HP0108801	ASSEMBLY MACHINE	11	2003	111,991.18
220HP0108901	MATERIAL HANDLING SYSTEM OUTER RING	11	2003	173,734.29
220HP0108902	MATERIAL HANDLING SYSTEM B2-RING	11	2003	44,658.47
220HP0108903	TRAYCHANGER OUTER RING	11	2003	31,671.09
220HP0108904	TRAYCHANGER SPINDLE	11	2003	57,472.79
220HP0108905	WASHING MACHINE FOR A RING	11	2003	47,990.19
220HP0108906	OVER HEAD LOADER FOR A RING	11	2003	70,330.92
220HP0108907	WASHING MACHINE FOR B2 RING	11	2003	27,221.13
220HP0108908	OVERHEAD CONVEYOR FOR B-2 RING	11	2003	71,196.16
220HP0108909	MEASURING EQUIPMENT FOR GRIND	11	2003	62,575.52
22UFAZZ02301	TAP CHECKER	11	2003	14,032.24
22UFAZZ02401	RIGIDITY CHECKER	9	2003	38,712.26
22UFAZZ02501	FLANG RUN-OUT MEASURING MACHINE	9	2003	80,141.50
22UFAZZ02601	SENSOR CHECKING MACHINE	9	2003	120,681.94
22UFEAA01601	MEASURING MACHINE	9	2003	67,211.80
22UFEAB01101	BALL INSERTION MACHINE	9	2003	148,295.70
22UFEAB01201	ASSEMBLY MACHINE	9	2003	131,011.95
22UFEAS00701	SEAL PRESS & CHECK MACHINE	9	2003	199,901.26
22UFEAS00801	ENCODER SEAL PRESS MACHINE	9	2003	83,139.59
22UFEAZ03601	TONE RING INSERTION MACHINE	9	2003	101,566.97
22UFEAZ03701	BOLT PRESS MACHINE	9	2003	40,670.87
22UFEAZ03801	CAP INSERTION MACHINE	9	2003	89,996.27
22UFEDA01701	PAINT & DEGREASING MACHINE	9	2003	61,503.80
22UFEDA01801	RUST PREVENTION MACHINE	9	2003	202,490.84
22UFGAT01301	OUTER RING RACEWAY GRIND MACHINE	9	2003	64,738.50
22UFGBH01001	INNER RING RACEWAY GRIND MACHINE	9	2003	212,784.24
22UFGPA01501	DATUM DIAMETER GRIND MACHINE	9	2003	149,387.90
22UFGPA01601	SPINDLE RACEWAY GRIND MACHINE	9	2003	216,486.78
22UFKGB00901	VIBRATION CHECKER	9	2003	218,645.18
22UFPRA00401	SWAGING MACHINE	9	2003	111,205.35
22UFSSJ01701	SPINDLE RACEWAY SUPERFINISH	9	2003	265,085.69
22UFSSJ01801	INNER RING RACEWAY SUPERFINISH	9	2003	136,356.24
22UFSSR01301	OUTER RING RACEWAY SUPERFINISH	9	2003	107,441.30
22UFZHP03301	INNER RING FEEDER	9	2003	149,407.89
22UFZLM01401	VISUAL INSPECTION TABLE	9	2003	75,203.00
4F00000614401	4F LIFT TRUCK	9	2003	37,674.81
		6	2003	49,689.44

8,282,806.84

NSK Corporation
Franklin

Investment Schedule

Proposed Amount of total Investment by 12/31/03 (Form SB-1)	3/31/2003	6/30/2003	9/30/2003	12/31/2003	Actual Total Amount of Investment as of 12/31/03	Difference between Actual and Proposed Amount of Investment
\$8,282,810	\$256,635	\$164,234	\$4,968,253	\$2,893,686	\$8,282,808	\$2