



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 2012-36: NSK Corporation

Summary:

1. On August 22nd, 2005, the Franklin Common Council passed Resolution No. 2005-18, 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 2011:

	Estimated on SB-1	Actual in 2011	Difference
Current Number of Employees	250	249	0
Salaries	\$12,700,000	\$14,250,952	\$1,550,952
Employees Retained	23	23	0
Salaries	\$900,000	\$900,000	\$0
New Employees	9	9	0
Salaries	\$306,000	\$306,000	\$0
Total Employees	282	281	-1
Total Salaries	\$13,906,000	\$15,456,952	\$1,550,952
Average Hourly Salaries	\$23.71	\$26.45	\$2.74
Personal Property Improvements	\$6,600,000	\$6,768,692	\$168,692

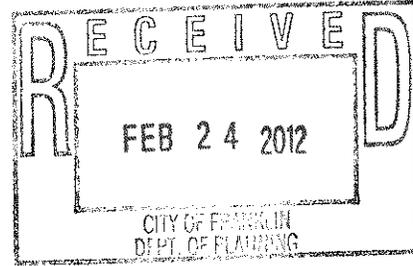
3. The company has exceeded their estimate provided on the SB-1 Form for personal property investment.
4. The company is one employee short of meeting their estimate for the number of employees retained and hired. The average hourly wage is \$2.74 per hour higher than estimated.
5. The personal property tax abatement is scheduled to expire in tax year 2013 payable 2014. The final compliance review will take place in 2014.

Staff Recommendation:

Approval

12-36

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 2005 under Franklin Common Council Resolution No. 05-18.

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 August 22, 2005.

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>(313) 913-7589</i>

SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY	
Name of designating body <i>Franklin City Common Council</i>	Resolution number <i>05-18</i>
Location of property <i>3400 Bearing Drive Franklin, IN 46131</i>	County <i>Johnson</i>
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>8-1-05</i>
	Estimated completion date (month, day, year) <i>3-31-06</i>

SECTION 3 EMPLOYEES AND SALARIES		
EMPLOYEES AND SALARIES	AS ESTIMATED ON SB-1	ACTUAL
Current number of employees	<i>250</i>	250 <i>249</i>
Salaries	<i>12,700,000</i>	<i>14,250,952</i>
Number of employees retained	<i>23</i>	<i>23</i>
Salaries	<i>900,000</i>	<i>900,000</i>
Number of additional employees	<i>9</i>	<i>9</i>
Salaries	<i>306,000</i>	<i>306,000</i>

SECTION 4 COST AND VALUES								
	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
AS ESTIMATED ON SB-1								
Values before project	<i>82,144,055</i>	<i>19,071,000</i>						
Plus: Values of proposed project	<i>6,600,000</i>	<i>1,920,000</i>						
Less: Values of any property being replaced								
Net values upon completion of project	<i>88,744,055</i>	<i>21,051,000</i>						
ACTUAL								
Values before project	<i>82,144,055</i>	<i>19,071,000</i>						
Plus: Values of proposed project	<i>6,763,692</i>	<i>2,030,608</i>						
Less: Values of any property being replaced								
Net values upon completion of project	<i>88,912,747</i>	<i>21,101,608</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>Jan A. [Signature]</i>	Title <i>Accounting manager</i>	Date signed (month, day, year) <i>2-21-12</i>

Franklin Investment Listing for Resolution 05-18

NSK Corporation

ADDITIONS @ 12/31/2007

<u>Dept. #</u>	<u>Asset No</u>	<u>Description</u>	<u>Acq Value</u>
22C2A	220HP0109933	LINE MONITOR UNIT-NCL#5 ASSEMBLY	\$ 11,106
22C2A	22UFAZZ03201	TAP CHECKER-NCL#5 ASSEMBLY	\$ 46,149
22C2A	22UFAZZ03301	RIGIDITY CHECKER-NCL#5 ASSEMBLY	\$ 80,504
22C2A	22UFAZZ03401	FRANGE RUNOUT MEAS MACH-NCL#5 ASSEMBLY	\$ 160,427
22C2A	22UFAZZ03501	SENSOR CHECKING MACH-NCL#5 ASSEMBLY	\$ 63,756
22C2A	22UFEAA01801	MEASURING MACHINE-NCL#5-ASSEMBLY	\$ 111,232
22C2A	22UFBAB01501	BALL INSERTION MACHINE-NCL#5 ASSEMBLY	\$ 94,977
22C2A	22UFEAB01601	ASSEMBLY MACHINE-NCL#5 ASSEMBLY	\$ 156,611
22C2A	22UFEAS01001	ENCODER SEAL PRESS&CHECK-NCL#5 ASSEMBLY	\$ 124,347
22C2A	22UFEAZ04101	TONE RING INSERTION MACH-NCL#5 ASSEMBLY	\$ 79,452
22C2A	22UFEAZ04201	BOLT PRESS MACHINE-NCL#5 ASSEMBLY	\$ 104,565
22C2A	22UFEDA02101	RUST PREVENTION MACH-NCL#5 ASSEMBLY	\$ 78,197
22C2A	22UFKGB01101	VIBRATION CHECKER-NCL#5 ASSEMBLY	\$ 143,894
22C2A	22UFPRA00601	SWAGING MACHINE-NCL#5 ASSEMBLY	\$ 312,393
22C2A	22UFZHP03501	INNER RING INSERTION MACH-NCL#5 ASSEMBLY	\$ 66,293
22C2A	22UFZLM01601	VISUAL INSPECTION TABLE-NCL#5 ASSEMBLY	\$ 34,684
22C2G	220HP0109934	MATERIAL HANDLING SYST OUTER RING	\$ 45,611
22C2G	220HP0109936	TRAYCHANGER	\$ 57,035
22C2G	220HP0109937	WASHING MACHINE FOR A RING	\$ 70,999
22C2G	220HP0109938	OVERHEAD LOADER FOR A RING	\$ 28,027
22C2G	220HP0109939	TRAYCHANGER	\$ 57,035
22C2G	220HP0109940	WASHING MACHINE FOR B2 RING	\$ 95,424
22C2G	220HP0109941	OVERHEAD CONVEYOR FOR INNER RING	\$ 67,900
22C2G	220HP0109942	MEASURING EQUIPMENT FOR GRIND	\$ 21,023
22C2G	220HP0909935	MATERIAL HANDLING SYST B2-RING	\$ 33,343
22C2G	22AHP0109934	MATERIAL HANDLING SYST-OUTER RING	\$ 2,834
22C2G	22AHP0109935	MATERIAL HANDLING SYST-B2 RING	\$ 2,072
22C2G	22AHP0109936	TRAYCHANGER	\$ 3,544
22C2G	22AHP0109937	WASHING MACHINE-A RING	\$ 4,412
22C2G	22AHP0109938	OVERHEAD LOADER-A RING	\$ 1,742
22C2G	22AHP0109939	TRAYCHANGER	\$ 3,544
22C2G	22AHP0109940	WASHING MACHINE-B2 RING	\$ 5,930
22C2G	22AHP0109941	OVERHEAD CONVEYOR-INNER RING	\$ 4,220
22C2G	22AHP0109942	MEASURING EQUIP FOR GRIND	\$ 1,306
22C2G	22UFGAT01501	OUTER RING RACEWAY GRIND MACH	\$ 229,457
22C2G	22UFGAT01502	OUTER RING RACEWAY GRIND MACH	\$ 14,259
22C2G	22UFGPA01901	DATUM DIAMETER GRIND MACH	\$ 227,704
22C2G	22UFGPA01902	DATUM DIAMETER GRIND MACHINE	\$ 14,150
22C2G	22UFGPA02002	SPINDLE RACEWAY GRIND MACHINE	\$ 14,473
22C2G	22UFGPA02001	SPINDLE RACEWAY GRIND MACH	\$ 232,889
22C2G	22UFSSJ02001	SPINDLE RACEWAY SUPERFINISH	\$ 144,151
22C2G	22UFSSJ02002	SPINDLE RACEWAY SUPERFINISH	\$ 8,958
22C2G	22UFSSR01501	OUTER RING RACEWAY SUPERFINISH	\$ 158,135
22C2G	22UFSSR01502	OUTER RING RACEWAY SUPERFINISH	\$ 9,827
22C4A	220HP0109946	3C4 MODIFICATION DCX NGC JS	\$ 828,913
22C4G	220HP0109947	3C4 MODIFICATION FOR DCX NCCJS	\$ 278,701
223A2/3C2	H6515	PQ 35 MACHINERY & EQUIPMENT	\$ 990,589
223C2	H6518	3C2 MODIFICATION MACHINERY & EQUIPMENT	\$ 869,846
223C3	H6520	3C3 MODIFICATION MACHINERY & EQUIPMENT	\$ 572,051
			\$ 6,768,692