

RESOLUTION NO. 2010-19

A RESOLUTION GRANTING TAX ABATEMENT FOR NSK CORPORATION (EDC 2010-08)

WHEREAS, the economic growth and development of the City of Franklin, Johnson County, Indiana is the primary goal of the community;

WHEREAS, the Franklin Economic Development Commission has on October 5, 2010 held a public meeting and considered the tax abatement request of NSK Corporation (3400 Bearing Drive) in a manner consistent with the *City of Franklin Community Investment Incentives Summary* and the applicable sections of the Indiana Code.

WHEREAS, the Franklin Economic Development Commission has made the findings required by IC 6-1.1-12.1-3 and IC 6-1.1-12.1-4.5 the Franklin Economic Development Commission recommends that NSK Corporation receive a ten (10) year tax abatement with a 5% Economic Development Fee on personal property located at the property described in "Exhibit A" and the manufacturing project described in the tax abatement request;

WHEREAS, a copy of the Statement of Benefits recommended for approval by the Franklin Economic Development Commission is attached hereto as "Exhibit B;"

WHEREAS, the said real estate as described in "Exhibit A" is located in an existing Economic Revitalization Area as approved by the City of Franklin Common Council with City Council Resolution Number 2004-03;

WHEREAS, the Common Council has received and reviewed "Exhibit B," with all attachments, and that such attachments are made a part hereof and incorporated herein, all which together contain the necessary statements of benefits, letter of application, and description of manufacturing equipment which are involved, along with the recommendation for tax abatement for personal property; and

WHEREAS, the Common Council has given careful consideration to the materials submitted and affirms the findings of the Franklin Economic Development Commission relative to the requirements of IC 6-1.1-12.1-3 and IC 6-1.1-12.1-4.5, and specifically including the following findings:

As to personal property the following findings are made:

- 1) The estimate of the cost of new manufacturing equipment is reasonable for equipment of that type;
- 2) 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 installation of the new manufacturing equipment;
- 3) The estimate of the 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 equipment;
- 4) 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

5) The totality of the benefits is sufficient to justify the tax abatement.

FILED

Johnson County Assessor

OCT 20 2010

Mark Alexander

FILED

OCT 21 2010

James D. Reddick
AUDITOR, JOHNSON COUNTY

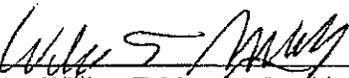
NOW THEREFORE BE IT RESOLVED THAT:

- (1) The abatement of personal property tax shall extend for a period of ten (10) years with a 5% Economic Development Fee, pursuant to the deduction schedule set forth in IC 6-1.1-12.1-4.5(e)(6).
- (2) NSK Corporation shall be required to provide the City of Franklin with information showing the extent to which there has been compliance with the statement of benefits submitted in their request for tax abatement within sixty (60) days after the end of each year in which the deduction is applicable, all as required by IC 6-1.1-12.1-5.1 and IC 6-1.1-12.1-5.6.
- (3) A copy of this resolution and a description of the affected area will be available and can be inspected in the office of the Johnson County Assessor and the City Clerk/Treasurer.

APPROVED by the Common Council of the City of Franklin, Johnson County, Indiana, this 18 day of October 2010.

City of Franklin, Indiana, By its Common Council:

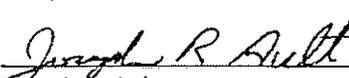
Voting Affirmative:



Dr. William T. Murphy, President



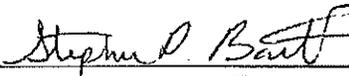
Joseph P. Abban



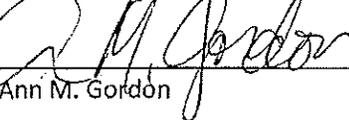
Joseph R. Ault



Kenneth W. Austin



Steve Barnett



Ann M. Gordon

~~-Absent-~~

Stephen D. Hougland

Voting Opposed:

Dr. William T. Murphy, President

Joseph P. Abban

Joseph R. Ault

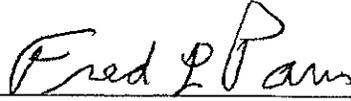
Kenneth W. Austin

Steve Barnett

Ann M. Gordon

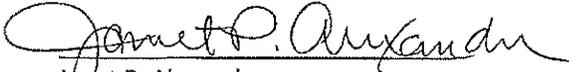
Stephen D. Hougland

This resolution having been passed by the legislative body and presented to me this [Approved by me and duly adopted, pursuant to Indiana Code § 36-4-6-16(a)(1)] [Vetoed, pursuant to Indiana Code § 36-4-6-16(a)(2)], this 18 day of October, 2010 at 8:15 o'clock a.m./p.m.



Fred L. Paris
Mayor

Attest:



Janet P. Alexander
Clerk-Treasurer

APPROVED AS TO FORM:



Robert H. Schafstall
City Attorney

Prepared by:
Krista Linke, Director
Department of Planning and Economic Development

EXHIBIT "A"

LEGAL DESCRIPTION

A part of the Southwest quarter and a part of the Southeast quarter all in Section 34, Township 13 North, Range 4 East of the Second Principal Meridian, Johnson County, Indiana, more particularly described as follows:

Beginning at an iron rod found at the Northwest corner of the Southeast quarter of Section 34; thence North 88 degrees 53 minutes 35 seconds East on and along the North line of said Southeast quarter section 1051.92 feet (deed bearing and distance = North 88 degrees 54 minutes 30 seconds East 1052.13 feet to a point on the West right-of-way line of the former Penn-Central Railroad); thence South 16 degrees 09 minutes 00 seconds East on and along the West right-of-way line 520.30 feet (deed distance and bearing = South 16 degrees 09 minutes 07 seconds East 520.30 feet); thence South 16 degrees 09 minutes 00 seconds East continuing on and along said West right-of-way line a distance of 891.97 feet (calculated closure bearing and distance of = South 16 degrees 09 minutes 21 seconds east - 892.00 feet) to an iron pin found in place; thence South 89 degrees 09 minutes 00 seconds West a distance of 839.00 feet to an iron pin found in place; thence South 00 degrees 00 minutes 00 seconds West a distance of 60.70 feet to an iron pin found in place; thence South 89 degrees 09 minutes 00 seconds West a distance of 69.63 feet to an iron pin found in place; thence South 00 degrees 00 minutes 00 seconds West a distance of 251.46 feet to an iron pin found in place; thence South 89 degrees 10 minutes 30 seconds West a distance of 988.83 feet to an iron pin found in place; thence North 00 degrees 13 minutes 30 seconds East a distance of 1668.70 to an iron pin found in the North line of the Southwest quarter of Section 34; thence North 89 degrees 02 minutes 56 seconds East on and along said North line a distance of 446.12 feet to the point of beginning containing 60.135 acres.



STATEMENT OF BENEFITS " Exhibit B "
PERSONAL PROPERTY

State Form 51764 (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.
- Property 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) PO BOX 134007, ANN ARBOR, MI 48113-4007								
Name of contact person ROBERT M. WOZNAIK				Telephone number (734) 913-7689				
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT								
Name of designating body FRANKLIN CITY COMMON COUNCIL				Resolution number (s) 10-19				
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) Manufacturing, Inspection, and Assembly Equipment to Produce Taper Roller Bearings.				ESTIMATED				
				START DATE		COMPLETION DATE		
				Manufacturing Equipment	11/01/2010	07/31/2012		
				R & D Equipment				
				Logist Dist Equipment				
IT Equipment								
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT								
Current number 204	Salaries 11,630,000.00	Number retained 8	Salaries 276,000.00	Number additional 24	Salaries 860,000.00			
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	
	Current values		91,700,000.00 19,895,000.00					
	Plus estimated values of proposed project		9,440,000.00 2,632,000.00					
	Less values of any property being replaced		0.00 0.00					
Net estimated values upon completion of project		101,140,000.00 22,717,000.00						
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER								
Estimated solid waste converted (pounds)			Estimated hazardous waste converted (pounds)					
Other benefits:								
SECTION 6 TAXPAYER CERTIFICATION								
I hereby certify that the representations in this statement are true.								
Signature of authorized representative <i>Allyson Thomas</i>			Title Plant Manager		Date signed (month, day, year) 09/17/2010			

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 checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. Installation of new research and development equipment; | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 3. Installation of new logistical distribution equipment. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 4. Installation of new information technology equipment; | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

C. The amount of deduction applicable to new manufacturing equipment is limited to \$ 9,440,000 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) An agreed five percent (5%) fee on abated taxes pursuant to IC 6-1.1-12.1-14

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 checked="" 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: <i>(signature and title of authorized member)</i> <i>[Signature]</i>	Telephone number (317) 736-3631	Date signed (month, day, year) 10-18-10
Attested by: Krista Linke, Director of Planning <i>[Signature]</i>	Designated body City of Franklin Common Council	

* 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