



CITY OF FRANKLIN

Community Development Department

Memorandum

To: City of Franklin Economic Development Commission

From: Dana Monson, Community Development Specialist

Date: March 12, 2024

Re: Case C 2024-24: Mitsubishi Turbocharger & Engine America – MTEA (formerly Mitsubishi Engine North America-MENA) 23-20

Summary:

- On December 4th, 2023, the Franklin Common Council passed Resolution No. 2023-20, approving a 3-year tax abatement with a 5% economic development fee for personal property for Mitsubishi, located at 1200 N. Mitsubishi Parkway.
- Actual and estimated benefits, as projected for 2023:

	Estimated on SB-1	Actual in 2023	Difference
Current Employees	73	73	0
Salaries	\$3,114,238	\$4,973,460.48	\$1,859,222.48
New Employees	22	6	16
Salaries	\$709,737.60	\$214,272.00	-\$495,465.60
Total Employees	95	79	-16
Average Hourly Wage	\$20.51	\$32.75	\$12.24
Personal Property Improvements	\$2,509,020	\$0	\$2,509,020

- The project is in the process of completion now and should be fully up by mid-June, thus no investment as of January 1, 2024.
- The company intends to hire 22 new employees for this line. They are being hired as the equipment is brought online. Currently, they have hired 6 new employees.
- The personal property tax abatement is scheduled to expire in tax year 2027 payable in 2028. Their last year for compliance review will be 2027.
- Staff Recommendation:** Approval

February 23, 2024

City of Franklin

ATTN: Krista Linke

Director – Community Development Department

70 East Monroe Street

Franklin, IN 46131

RE; 2023 Tax Abatement Compliance Packet for Mitsubishi Turbocharger and Engine America, Inc

Dear Ms. Linke,

Enclosed please find Forms CF-1/PP – Compliance with Statement of Benefits – Personal Property regarding compliance with the personal property tax abatement which was granted to Mitsubishi Turbocharger and Engine America, Inc. in 2023 under Franklin Common Council Resolution number 2023-20.

As noted on the enclosed documents, our company has been successful in

1. Starting the hiring process of 6 employees for training on our 2 new GM LK0 lines.
2. The Full PPAP approval with GM is targeted for March 29, 2024. Full investment has been made and MTEA is awaiting final approval from GM for mass production to begin by March 29, 2024.

Please review all enclosed documents and if you have any questions or concerns regarding this matter, please contact Linda Brown at (317) 346-5028.

MTEA would like to thank the City of Franklin for continued support in approving our tax abatement compliance request and we respectfully request that the City of Franklin will continue to look favorably on our growth activities and grant this 2023 compliance request relative to Common Council Resolution 23-20 for the abatement on taxes for 2023 payable 2024.

Respectfully,



Atsushi Une

Controller



COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51765 (R7 / 12-22)

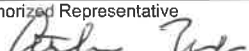
Prescribed by the Department of Local Government Finance

PRIVACY NOTICE
This form contains confidential
information pursuant to
IC 6-1.1-35-9 and IC 6-1.1-12.1-5.6.

FORM CF-1 / PP

20__ Pay 20__

- 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, 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 form (CF-1).

SECTION 1		TAXPAYER INFORMATION							
Name of Taxpayer Mitsubishi Turbocharger and Engine America, Inc. (MTEA)		County Johnson							
Address of Taxpayer (number and street, city, state, and ZIP code) 1200 N. Mitsubishi Parkway; Franklin, IN 46131		DLGF Taxing District Number 41-018							
Name of Contact Person Linda Brown	Telephone Number (317) 346-5028	Email Address lbrown@mitsubishi-turbo.com							
SECTION 2									
LOCATION AND DESCRIPTION OF PROPERTY									
Name of Designating Body Franklin Common Council		Resolution Number 23-20	Estimated State Date (month, day, year) 12-1-23						
Location of Property 1200 N. Mitsubishi Parkway; Franklin, IN 46131		Actual Start Date (month, day, year) 12-1-23							
Description of new manufacturing equipment, new research and development equipment, new information technology equipment, or new logistical distribution equipment to be acquired. Equipment and machinery for manufacturing turbochargers.		Estimated Completion Date (month, day, year) 3-29-24							
		Actual Completion Date (month, day, year)							
SECTION 3									
EMPLOYEES AND SALARIES									
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1		ACTUAL					
Current Number of Employees		73		673					
Salaries		32.75		\$214,272.00					
Number of Employees Retained		67		67					
Salaries		22		6					
Number of Additional Employees		6		32.75					
Salaries		32.75		6					
SECTION 4									
COST AND VALUES									
		MANUFACTURING EQUIPMENT		RESEARCH & DEVELOPMENT EQUIPMENT		LOGISTICAL DISTRIBUTION EQUIPMENT		IT EQUIPMENT	
AS ESTIMATED ON SB-1		COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values Before Project		\$	\$	\$	\$	\$	\$	\$	\$
Plus: Values of Proposed Project		\$ 2,509,020	\$	\$	\$	\$	\$	\$	\$
Less: Values of Any Property Being Replaced		\$	\$	\$	\$	\$	\$	\$	\$
Net Values Upon Completion of Project		\$ 2,509,020	\$	\$	\$	\$	\$	\$	\$
ACTUAL		COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values Before Project		\$ 0.00	\$	\$	\$	\$	\$	\$	\$
Plus: Values of Proposed Project		\$	\$	\$	\$	\$	\$	\$	\$
Less: Values of Any Property Being Replaced		\$	\$	\$	\$	\$	\$	\$	\$
Net Values Upon Completion of Project		\$ 0.00	\$	\$	\$	\$	\$	\$	\$
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 Controller							
		Date Signed (month, day, year) 2/23/2024							

OPTIONAL: FOR USE BY A DESIGNATING BODY WHO ELECTS TO REVIEW THE COMPLIANCE WITH STATEMENT OF BENEFITS (FORM CF-1)

INSTRUCTIONS: (IC 6-1.1-12.1-5.9)

1. Within forty-five (45) days after receipt of this form, the designating body may determine whether or not the property owner has substantially complied with the Statement of Benefits.
2. If the property owner is found **NOT** to be in substantial compliance, the designating body shall send the property owner written notice. The notice must include the reasons for the determination, including the date, time, and place of a hearing to be conducted by the designating body. If a notice is mailed to a property owner, a copy of the written notice will be sent to the county assessor and the county auditor.
3. Based on the information presented at the hearing, the designating body shall determine whether or not the property owner has made a reasonable effort to substantially comply with the Statement of Benefits and whether any failure to substantially comply was caused by factors beyond the control of the property owner.
4. If the designating body determines that the property owner has **NOT** made a reasonable effort to comply, the designating body shall adopt a resolution terminating the deduction. The designating body shall immediately mail a certified copy of the resolution to: (1) the property owner; (2) the county auditor; and (3) the county assessor.

We have reviewed the CF-1 and find that:			
<input type="checkbox"/>	The property owner IS in substantial compliance		
<input type="checkbox"/>	The property owner IS NOT in substantial compliance		
<input type="checkbox"/>	Other (specify) _____		
Reasons for the Determination (attach additional sheets if necessary)			
Signature of Authorized Member			Date Signed (month, day, year)
Attested By		Designating Body	
If the property owner is found not to be in substantial compliance, the property owner shall receive the opportunity for a hearing. The following date and time has been set aside for the purpose of considering compliance.			
Time of Hearing	<input type="checkbox"/> AM <input type="checkbox"/> PM	Date of Hearing (month, day, year)	Location of Hearing

HEARING RESULTS (to be completed after the hearing)

<input type="checkbox"/> Approved	<input type="checkbox"/> Denied (see Instruction 5 above)
Reasons for the Determination (attach additional sheets if necessary)	
Signature of Authorized Member	
Date Signed (month, day, year)	
Attested By	Designating Body

APPEAL RIGHTS [IC 6-1.1-12.1-5.9(e)]

A property owner whose deduction is denied by the designating body may appeal the designating body's decision by filing a complaint in the office of the clerk of the Circuit or Superior Court together with a bond conditioned to pay the costs of the appeal if the appeal is determined against the property owner.

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Amended Job Creation / Retention TimeTable MTEA

	Manager	Technical/ Administration	Engineer Production related	Operator	Total
Year of Abatement	2023				
1st Quarter					0
2nd Quarter				(2)	(2)
3rd Quarter				(2)	(2)
4th Quarter				(2)	(2)
Total	0	0	0	(6)	(6)
Grand Total	0	0	0	(6)	(6)

*** NOTE: Numbers in () are actual new jobs created

Average hourly wages	\$0.00	\$0.00	\$0.00	\$15.50	
Wages + Benefits	\$0.00	\$0.00	\$0.00	\$18.60	
TOTAL WAGES	\$0.00	\$0.00	\$0.00	(\$214,272.00)	(\$214,272.00)

Average is coming from active EE as of December 31st

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COMPANY INVESTMENT TIMETABLE

	MCCA	MCCA	MTEA	MTEA	MTEA	MTEA	MTEA	Total
	New Building construction	Existing Building Improvement	New Machinery and Equipment	Special Tooling/Retrofitting	Logistics Equipment	Other Furniture	New Computer/IT Hardware	New Software
Year of Abatement	2023	2023	2023	2023	2023	2023	2023	2023
1st Quarter								\$0.00
2nd Quarter								\$0.00
3rd Quarter								\$0.00
4th Quarter								\$0.00
Year of Abatement	2024	2024	2024	2024	2024	2024	2024	2024
1st Quarter								\$0.00
2nd Quarter								\$0.00
3rd Quarter								\$0.00
4th Quarter								\$0.00
Year of Abatement	2025	2025	2025	2025	2025	2025	2025	2025
1st Quarter								\$0.00
2nd Quarter								\$0.00
3rd Quarter								\$0.00
4th Quarter								\$0.00
Year of Abatement	2026	2026	2026	2026	2026	2026	2026	2026
1st Quarter								\$0.00
2nd Quarter								\$0.00
3rd Quarter								\$0.00
4th Quarter								\$0.00