



CITY OF FRANKLIN

DEPARTMENT OF PLANNING & ECONOMIC DEVELOPMENT · DEPARTMENT OF ENGINEERING

MINUTES

ECONOMIC DEVELOPMENT COMMISSION

October 5, 2010

Members Present:

Sam Yount	President
H. Lee Hodgen	Vice-President
Ken Austin	Member
John Ditmars	Member

Members Absent:

Tony Wellings	Secretary
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Others Present:

Krista Linke	Planning Director
Rob Schafstall	Legal Counsel
Cheryl Morphew	JCDC
Jaime Harshman	Recording Secretary

Call to Order:

Sam Yount called the meeting to order at 8:00am.

Approval of Minutes:

Lee Hodgen made a motion to approve the September 7th, 2010 meeting minutes as presented. Ken Austin seconded the motion. The motion passed unanimously.

New Business:

EDC 2010-08: NSK Corporation

Tim Sannito, engineer for NSK, stated that NSK Corporation is part of NSK Ltd. NSK is based in Tokyo, Japan. The Corporate office is in Ann Arbor, MI. He stated the plant in Franklin sells automotive bearing products for automotive and intuition markets. This includes the manufacturing of wheel hub and taper roller products. The Franklin plant started in 1991 as a machining center and in 1993 the building was expanded. Corporate functions include sales, marketing, engineering and customer service. The Franklin site is primarily manufacturing. NSK has over 80 years of experience in design development and manufacturing.

Mr. Sannito stated that due to the increase in demand for the taper roller bearing (TRB) products used, an expansion would take place. Phase 1 will be started in quarter one of 2011, Phase 2 will be started in quarter two of 2011. The total investment for the two phases is \$6.4 million of new equipment. Eight employees will be retained and a projected 20 additional workers will be hired by the second quarter of 2011. Phase 3 is to be installed by mid 2012 in the amount of an additional \$3 million. Phase 3 should also have an additional four people hired. Mr. Sannito stated they are requesting that the EDC give a favorable recommendation to City Council for a 10-year tax abatement on personal property. The request is for the first year to be 2011 payable in 2012.

Sam Yount stated that the Board should all have the corrected SB1. He questioned if NSK was aware of and okay with the economic development fees. Mr. Sannito stated they are aware of fees that go along with abatement and are willing to pay them.

Mr. Yount stated that they organically thought they would have to designate a new ERA, however, Ms. Linke stated they do not as it will expire in 2015. Ms. Linke stated that as long as the abatement is in effect the year it begins it continues with the abatement.

Mr. Yount stated the request is for all 3 Phases. The request is for \$6,444,000 for Phases 1 & 2 and an additional \$ 3 million for Phase 3. They would be receiving a 10-year abatement on each phase. It will start with the installation of each phase. Ms. Linke stated that when they submit their yearly compliance they will submit the number of jobs and dollar amounts per phase at that time.

Action taken on EDC 2010-08: NSK Corporation

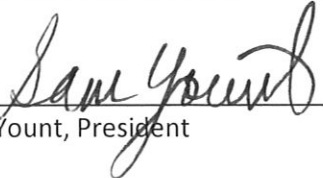
Ken Austen made a motion that NSK Corporation has met the 6 criteria of the City of Franklin's tax abatement policy and to send a favorable recommendation to the City Council on a 10-year abatement for Phase 1, Phase 2 and Phase 3 for a total amount of \$9.440 million. John Ditmars seconded the motion. The motion passed unanimously.

Mr. Austin questioned if the additional staffing would be permanent. Mr. Sannito stated they would all be full time employees.

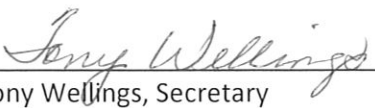
Adjournment:

There being no further business, the meeting was adjourned.

Respectfully submitted this 1st day of February, 2011.



Sam Yount, President



Tony Wellings, Secretary