



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

MINUTES

ECONOMIC DEVELOPMENT COMMISSION

June 11, 2013

Members Present:

John Ditmars	President
Tony Wellings	Secretary
Ken Austin	Member

Members Absent:

H. Lee Hodgen	Vice-President
Jake Sappenfield	Member

Others Present:

Rob H. Schafstall	Legal Counsel
Krista Linke	Director of Community Development
Jaime Shilts	Recording Secretary

Call to Order:

John Ditmars called the meeting to order at 8:00 a.m.

Approval of Minutes:

Mr. Ditmars noted that the May minutes should read that Discover Downtown Franklin received \$100,000 from the RDC, not the FDC. Ken Austin made a motion to approve the May 14, 2013 minutes with that correction. Tony Wellings seconded the motion. The motion carried.

New Business:

EDC 2013-06: Nitrex Inc.:

Michael Rodman, Business Manager, stated they have a piece of machinery on order from France that has a 52 week lead time that will be delivered in December. It's a \$1.7 million capital expenditure not including auxiliary equipment. They will spend \$2.2 million in 2013 and they're plan for 2014 is an additional \$2.9 million. They are requesting an extension of their abatement through December of 2014.

Mr. Ditmars questioned if the number of jobs changed. Mr. Rodman stated they have planned an additional 12 employees through 2014. They have currently added 2 employees. Ms. Linke stated that once the equipment is in place, that's when the abatement starts. Mr. Rodman stated there are another 10 jobs that will be coming in. Ms. Linke stated they haven't purchased the full \$2.9 million equipment yet, so the abatement hasn't started on \$1.3 million in equipment. Ms. Linke stated that the tax saving from abatements has been reduced due to the property tax caps.

Mr. Rodman stated that \$6.3 million will be invested total. Mr. Schafstall stated there are no new jobs projected with the additional amount of equipment being purchased and the same jobs are projected as were with the original abatement. He sees it as a new abatement request. He suggested tracking the 5 statutory requirements, with no new jobs. Ms. Linke stated her concern would be that at compliance time, with a new abatement there will be nothing tied to job creation. She recommends amending the previous abatement. Mr. Schafstall went over the 5 statutory requirements: the equipment was purchased at a reasonable price, the second and third do not apply. The fourth is that any other benefits about which the information was requested can be reasonably expected. The last is that the totality of benefits is sufficient.

Ken Austin made a motion that the 5 statutory requirements (A-E) have been met based upon conversations with the company and they are in compliance with Indiana Code 6-1.1-12-1-4.5. Tony Wellings seconded the motion. The motion carried.

Mr. Rodman stated that he needed to check with the President of the company if the plan is changing with the abatement on the additional equipment being reduced from 10 years to 7 years. The case was tabled until the July 9, 2013 meeting.

EDC 2013-07: NSK Precision America, Inc.:

Jeremy Peters, NSK Precision Plant Manager, stated they are looking at adding a line and increasing capacity. They have significant overhauls of machinery needed. They will be adding 28 additional full time workers, 19 new employees and 9 will be moving from temporary to full time. By the fourth quarter of 2015 the investment is expected to be \$10.2 million. They are requesting a 10 year abatement on personal property with the abatement starting in 2014.

Ken Austin made a motion that NSK Precision America meets the Indiana Code criteria section 6-1.1-12-1-4.5, sections A-E. Tony Wellings seconded the motion. The motion carried.

Ken Austin made a motion to give a favorable recommendation to City Council on a 10 year abatement on personal property. Ken Austin-yes, Tony Wellings-yes, John Ditmars-no. The case will be continued to the July 9, 2013 meeting.

EDC 2013-08: NSK Corporation:

Kyle Steins, NSK Corporation, stated they are requesting a new \$20 million abatement for personal property. The amount will allow them to retain 18 jobs that will go from temporary to full time positions. They are adding 2 more lines, one in 2013 and one in 2015. They have been running in full production mode for nearly 20 years and some of the lines need to be overhauled. Ms. Linke stated originally the 18 employees were listed as new employees instead of employees retained.

Mayor Joe McGuinness stated that the amount of their new starting salaries will increase to a level that's above what their current salaries are now. Ms. Linke stated she will need a legal description for both properties.

Tony Wellings made a motion to find the NSK parcel in compliance with Indiana Code section 6-1.1-12-1-4.5 and in compliance as an ERA with all personal property requirements, items 1-5. Ken Austin seconded the motion. The motion carried.

Tony Wellings made a motion to give a favorable recommendation to City Council on a 10 year tax abatement of \$20 million of personal property. Ken Austin seconded the motion. Tony

Wellings=yes, Ken Austin=yes, John Ditmars=no. The motion failed. The case will be continued to the July 9, 2013 meeting.

Other Business:

2012 and 2013 Economic Development Fee:

Ms. Linke stated the Assessor's Office has collected funds for the first installment of this year along with the funds that were not billed in 2012. She stated they billed \$7,704.75 for last year and \$9,300 for this year. They should have collected \$17,063.30 total, but not all companies have paid. They have collected \$10,715.51 of it to date. They would like to distribute all of the funds (\$10,715.51) collected, not just the \$7,704.75 from 2012.

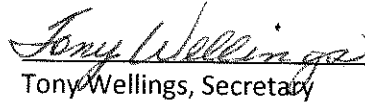
Mr. Wellings made a motion that the additional funds collected to date (in excess of \$7,704.75) be distributed to Discover Downtown Franklin. Ken Austin seconded the motion. The motion carried.

Adjournment:

There being no further business, the meeting was adjourned. Respectfully submitted this 9th day of July, 2013.



John Ditmars, President



Tony Wellings, Secretary