



CITY OF FRANKLIN
COMMUNITY DEVELOPMENT DEPARTMENT

Memorandum

To: City of Franklin Economic Development Commission
From: Krista Linke, Community Development Director
Date: April 24, 2015
Re: Case C 2015-32: NSK Precision America

Summary:

1. On July 15th, 2013, the Franklin Common Council passed Resolution No. 2013-18, approving a 10-year tax abatement with a 5% economic development fee on personal property for NSK Precision America, located at 3450 Bearing Drive.
2. Actual and estimated benefits, as projected for 2014:

	Estimated on SB-1	Actual in 2014	Difference
Employees Retained	135	158	23
Salaries	\$8,960,000	\$9,979,481	\$1,019,481
New Employees	28	23	-5
Salaries	\$970,000	\$1,452,709	\$482,709
Total Employees	163	181	18
Total Salaries	\$9,930,000	\$11,432,190	\$1,502,190
Average Hourly Salaries	\$29.29	\$30.37	\$1.08
Personal Property Improvements	\$10,200,000	\$5,722,037	-\$4,477,963

3. The company indicated on their original application that \$2,500,000 in equipment would be purchased in 2013; \$2,600,000 in 2014; \$4,100,000 in 2015; and \$1,000,000 in 2016. The company is on schedule to their estimate provided on the SB-1 Form for personal property investment in 2013 and 2014.
4. The company was 3 employees short of what they estimated their employee count to be, and lower on their estimated average hourly salaries in 2013. They have greatly improved in their number of employees and average hourly salaries in 2014. They now exceed what was estimated originally.
5. The completion date approved on their SB-1 Form was March 31, 2016. The personal property tax abatement is scheduled to expire in tax year 2025 payable 2026. Their last year for compliance review will be 2026.

Staff Recommendation: Approval



February 25, 2015

City of Franklin
Attn: Krista Linke
70 East Monroe Street,
Franklin, IN 46131

Re: 2014 Tax Abatement Compliance Packet for NSK Precision America, Inc.

Dear Ms. Linke,

Please find enclosed Form CF-1/PP (Compliance with Statement of Benefits) regarding compliance with the personal property tax abatements granted to NSK Precision America, Inc. in 2005 and 2013, under Franklin Common Council Resolution numbers 05-10 and 13-18, respectively.

As can be seen from reviewing the enclosed documents, our company has been successful in making all of the capital investments and creating the full complement of jobs projected under Resolution number 05-10. In regard to Resolution number 13-18, we are making progress toward our anticipated investment and the completion date is still scheduled for March 31, 2016.

Please feel free to contact me at (734) 913-7588 if you have any questions or concerns during your review of the enclosed documents.

Thank you,

A handwritten signature in black ink, appearing to read "Rachel L. Allen".

Rachel L. Allen, CPA
Tax Manager

RA/sn

Enclosures

NSK CORPORATION

4200 Goss Road, P.O. Box 134007
ANN ARBOR, MICHIGAN 48113-4007 U.S.A.
TELEPHONE: 1-734-913-7500
FACSIMILE: 1-734-913-7510

**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 NSK PRECISION AMERICA, INC.								
Address of taxpayer (number and street, city, state, and ZIP code) PO BOX 134007, ANN ARBOR, MI 48113-4007								
Name of contact person RACHEL ALLEN		Telephone number (734) 913-7588						
SECTION 2		LOCATION AND DESCRIPTION OF PROPERTY						
Name of designating body THE CITY OF FRANKLIN COMMON COUNCIL		Resolution number 13-18						
Location of property 3450 BEARING DRIVE, FRANKLIN, IN 46131		County JOHNSON						
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired. MACHINERY RECONSTRUCTION & REPLACEMENT TO INCREASE OUTPUT & MAINTAIN QUALITY. CREATION OF EXISTING SPACE FOR ADDITIONAL PRODUCTION TO SUPPLY INCREASED DEMAND OVERSEAS.		Estimated starting date (month, day, year) 07/01/2013 Estimated completion date (month, day, year) 03/31/2016						
SECTION 3		EMPLOYEES AND SALARIES						
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL					
Current number of employees		135.00	158					
Salaries		8,960,000.00	9,979,481.00					
Number of employees retained								
Salaries								
Number of additional employees		26.00	23					
Salaries		970,000.00	1,452,709.00					
SECTION 4		COST AND VALUES						
	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
AS ESTIMATED ON SB-1	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	29,498,000.00	8,367,000.00						
Plus: Values of proposed project	10,200,000.00	3,060,000.00						
Less: Values of any property being replaced	5,000,000.00	1,500,000.00						
Net values upon completion of project	34,698,000.00	10,197,000.00						
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	29,498,000.00	8,367,000.00						
Plus: Values of proposed project	5,722,037.00	1,716,611.00						
Less: Values of any property being replaced	1,017,620.00	305,286.00						
Net values upon completion of project	34,202,417.00	9,778,325.00						
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 		Title TAX MANAGER	Date signed (month, day, year) 2.27.15					

NSK Precision America, Inc.
Investment Timetable
Resolution 13-18

3/31/2013	Buildings/ Improvements	Equipment Pool 2	Total
1st Quarter	-		-
2nd Quarter			-
3rd Quarter			-
4th Quarter		954,355.87	954,355.87
3/31/2014			
1st Quarter		165,344.80	165,344.80
2nd Quarter	-	1,862,844.70	1,862,844.70
3rd Quarter		41,000.00	41,000.00
4th Quarter		35,200.00	35,200.00
3/31/2015			
1st Quarter		1,265,570.26	1,265,570.26
2nd Quarter		1,051,939.53	1,051,939.53
3rd Quarter		345,782.33	345,782.33
4th Quarter			-

Total	-	5,722,037.49	5,722,037.49
-------	---	--------------	--------------