



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 2015-29: NSK Precision America Inc.

Summary:

1. On June 13th, 2005, the Franklin Common Council passed Resolution No. 2005-10, approving a 10-year tax abatement on real property and a 7-year tax abatement on personal property for NSK Precision America at 3450 Bearing Drive.
2. Actual and estimated benefits, as projected for 2014:

| | Estimated on SB-1 | Actual in 2014 | Difference |
|--------------------------------|-------------------|----------------|-------------|
| Employees Retained | 91 | 158 | 67 |
| Salaries | \$4,800,000 | \$9,979,481 | \$5,179,481 |
| New Employees | 24 | 44 | 20 |
| Salaries | \$1,800,000 | \$2,779,096 | \$979,096 |
| Total Employees | 115 | 202 | 87 |
| Total Salaries | \$6,600,000 | \$12,758,577 | \$6,158,577 |
| Average Hourly Salaries | \$27.59 | \$30.37 | \$2.77 |
| Personal Property Improvements | \$572,000 | \$672,733 | \$100,733 |
| Real Property Improvements | \$500,000 | \$618,137 | \$118,137 |

3. The company has exceeded their estimate provided on the SB-1 Form for personal and real property investment.
4. Due to the way the current number of employees and the number of additional employees was reported on the CF-1 Form, overall NSK has exceeded the total number of employees. Their estimated average hourly wage for all employees was \$1.79 higher in 2011 and \$1.96 higher than estimated in 2012. It decreased in 2013 and was \$6.36 lower than originally estimated. It has greatly improved in 2014.
5. Last year was the final year for the real property tax abatement.
6. The personal property tax abatement is scheduled to expire in tax year 2016 payable 2017. The final compliance review will take place in 2017.

Staff Recommendation: Approval

**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 05-10 | | | | | | |
| 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. INSTALLATION OF EQUIPMENT USED IN NPA CORPORATE OFFICE | | Estimated starting date (month, day, year) 05/15/2005 | | | | | | |
| | | Estimated completion date (month, day, year) 12/01/2005 | | | | | | |
| SECTION 3 | | EMPLOYEES AND SALARIES | | | | | | |
| EMPLOYEES AND SALARIES | | AS ESTIMATED ON SB-1 | ACTUAL | | | | | |
| Current number of employees | | 91.00 | 158 | | | | | |
| Salaries | | 4,800,000.00 | 9,979,481.00 | | | | | |
| Number of employees retained | | | | | | | | |
| Salaries | | | | | | | | |
| Number of additional employees | | 24.00 | 44 | | | | | |
| Salaries | | 1,800,000.00 | 2,779,096.00 | | | | | |
| 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 | 21,936,000.00 | 6,583,000.00 | | | | | | |
| Plus: Values of proposed project | 572,000.00 | 242,000.00 | | | | | | |
| Less: Values of any property being replaced | | | | | | | | |
| Net values upon completion of project | 22,508,000.00 | 6,825,000.00 | | | | | | |
| ACTUAL | COST | ASSESSED VALUE | COST | ASSESSED VALUE | COST | ASSESSED VALUE | COST | ASSESSED VALUE |
| Values before project | 21,936,000.00 | 6,583,000.00 | | | | | | |
| Plus: Values of proposed project | 672,733.00 | 201,820.00 | | | | | | |
| Less: Values of any property being replaced | | | | | | | | |
| Net values upon completion of project | 22,608,733.00 | 6,784,820.00 | | | | | | |
| 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 | | | | | |