

CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Memorandum

To: City of Franklin Economic Development Commission

From: Krista Linke, Community Development Director

Date: April 25, 2015

Re: Case C 2015-30: NSK Corporation

Summary:

1. On October 18th, 2010, the Franklin Common Council passed Resolution No. 2010-19, approving a 10-year tax abatement with a 5% economic development fee on personal property for NSK Corporation located at 3400 Bearing Drive. In 2013, the Franklin Common Council passed Resolution No. 2013-02, amending Resolution No. 2010-09. The investment amount was increased from \$9,440,000 to \$11,285,000.
2. Actual and estimated benefits, as projected for 2014:

	Estimated on SB-1	Actual in 2014	Difference
Current Number of Employees	204	270	66
Salaries	\$11,603,000	\$19,878,603	\$8,275,603
Employees Retained	8	8	0
Salaries	\$276,000	\$276,000	\$0
New Employees	24	24	0
Salaries	\$860,000	\$860,000	\$0
Total Employees	236	302	66
Total Salaries	\$12,739,000	\$21,014,603	\$8,275,603
Average Hourly Salaries	\$25.95	\$33.45	\$7.50
Personal Property Improvements	\$11,285,000	\$11,285,413	\$413

3. The company has met their estimate provided on the SB-1 Form for personal property investment.
4. They have more employees than estimated on their SB-1 Form. Their estimated average hourly wage is also higher than estimated.
5. The completion date approved on their SB-1 Form was July 31, 2012. The personal property tax abatement is scheduled to expire in tax year 2021 payable 2022. Their last year for compliance review will be 2022.

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 Corporation

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 Corporation in 2010, under Franklin Common Council Resolution numbers 10-19.

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 10-19.

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

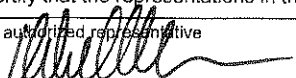
**COMPLIANCE WITH STATEMENT OF BENEFITS
PERSONAL PROPERTY**

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 CORPORATION								
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 10-19 / 13-02						
Location of property 3400 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. MANUFACTURING, INSPECTION, AND ASSEMBLY EQUIPMENT USED TO PRODUCE TAPER ROLLER BEARINGS.		Estimated starting date (month, day, year) 11/01/2010						
		Estimated completion date (month, day, year) 07/31/2012						
SECTION 3		EMPLOYEES AND SALARIES						
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL					
Current number of employees		204.00	270					
Salaries		11,603,000.00	19,878,603.00					
Number of employees retained		8.00	8					
Salaries		276,000.00	276,000.00					
Number of additional employees		24.00	24					
Salaries		860,000.00	860,000.00					
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	91,700,000.00	19,885,000.00						
Plus: Values of proposed project	11,285,000.00	3,386,000.00						
Less: Values of any property being replaced								
Net values upon completion of project	102,985,000.00	23,271,000.00						
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	91,700,000.00	19,885,000.00						
Plus: Values of proposed project	11,285,413.00	3,385,624.00						
Less: Values of any property being replaced								
Net values upon completion of project	102,985,413.00	23,270,624.00						
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					