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JILL L JACKSON
JOHNSON COUNTY
RECORDER

REC FEE: 21.00
PAGES: 6

# CITY OF FRANKLIN, INDIANA

## RESOLUTION NUMBER 2016-19

## A RESOLUTION GRANTING TAX ABATEMENT FOR NSK CORPORATION

**WHEREAS**, the Indiana General Assembly has enacted a statute, IC 6-1.1-12.1 (the "Act") authorizing certain tax deductions of property taxes (as defined in the Act) attributable to redevelopment or rehabilitation activities in economic development areas; and

**WHEREAS,** *NSK Corporation* (the "Applicant") has submitted a Statement of Benefits and made application for Personal Property Tax Abatement pursuant to the Act; and

**WHEREAS**, the Franklin Economic Development Commission has on October 11th, 2016, held a public meeting and considered the tax abatement request of *NSK Corporation (3400 Bearing Drive)* in a manner consistent with the applicable section of the Indiana Code;

**WHEREAS**, the Franklin Economic Development Commission has made the findings required by IC 6-1.1-12.1-3 and IC 6-1.1-12.1-4.5 and recommended that *NSK Corporation* receive a seven (7) year tax abatement **with a 5% Economic Development Fee**, on personal property for the real estate described as "Exhibit A" and described in the tax abatement request;

**WHEREAS**, a copy of the Statement of Benefits recommended for approval by the Franklin Economic Development Commission is attached hereto as "Exhibit B;"

**WHEREAS**, the said real estate as described in "Exhibit A" is located in an existing Economic Revitalization Area as approved by the City of Franklin Common Council with City Council Resolution Number 2013-20 and confirmed by Resolution Number 2013-21;

**WHEREAS**, the Common Council has received and reviewed "Exhibit B" with all attachments, and that such attachments are made a part hereof and incorporated herein, all which together contain the necessary statements of benefits and description of the project, along with the recommendation of the Economic Development Commission for tax abatement for personal property; and

**WHEREAS,** the Common Council has give careful consideration to the materials submitted and affirms the findings of the Franklin Economic Development Commission relative to the requirements of IC 6-1.1-12.1-3 and IC 6-1.1-12.1-4.5, and specifically including the following findings as to personal property:

1) The estimate of the cost of new manufacturing equipment is reasonable for equipment of that type;

2) The estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new manufacturing equipment;

3) The estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new equipment;

FILED
OCT 28 2016
JOHNSON CO. AUDITOR

TX:4031937
8037753

Sales Disclosure NOT Required
Johnson County Assessor

4) Other benefits about which information was requested are benefits that can be reasonably expected to result from the installation of the new manufacturing equipment;

5) The totality of the benefits is sufficient to justify the tax abatement.

**NOW THEREFORE BE IT RESOLVED THAT:**

1) The abatement of personal property tax shall extend for a period of 7 years pursuant to the deduction schedule set forth in Exhibit C.

2) *NSK Corporation* shall be required to provide the City of Franklin with information showing the extent to which there has been compliance with the statement of benefits submitted in their request for tax abatement within sixty (60) days after the end of each year in which the deduction is applicable, as required by IC 6-1.1-12.1-5.1.

3) A copy of this resolution and a description of the affected area will be available and can be inspected in the office of the Johnson County Assessor and the City Clerk/Treasurer.

**APPROVED** by the Common Council of the City of Franklin, Johnson County, Indiana, this 17th day of October, 2016.

**City of Franklin, Indiana, By its Common Council:**

| **Voting Affirmative:** | **Voting Opposed:** |
| --- | --- |
| Stephen Barnett, Council President | Stephen Barnett, Council President |
| Kenneth W. Austin, Vice President | Kenneth W. Austin, Vice President |
| Joseph P. Abban | Joseph P. Abban |
| Joseph R. Ault | Joseph R. Ault |
| Andrew Eggers | Andrew Eggers |

Keith Fox | Keith Fox

Richard L. Wertz | Richard L. Wertz

Attest:

Jayne Rhoades
Clerk-Treasurer

Presented by me to the Mayor of the City of Franklin for his approval or veto pursuant to Indiana Code § 36-4-6-15, 16, this ~~7th day of March, 2016~~ 17th day of October at 6:00 o'clock a.m./p.m.

JR

Jayne Rhoades
Clerk-Treasurer

This ordinance having been passed by the legislative body and presented to me [Approved by me and duly adopted, pursuant to Indiana Code § 36-4-6-16(a)(1)] [Vetoed, pursuant to Indiana Code § 36-4-6-16(a)(2)], this ~~7th day of March,~~ 17th day of October 2016 at 6:00 o'clock a.m./p.m.

JR

Joseph E. McGuinness
Mayor

Attest:

Jayne Rhoades
Clerk-Treasurer

"I AFFIRM, UNDER THE PENALTIES FOR PERJURY, THAT I HAVE TAKEN REASONABLE CARE TO REDACT EACH SOCIAL SECURITY NUMBER IN THIS DOCUMENT, UNLESS REQUIRED BY LAW"

NAME Krista Linke

Prepared by: Krista M. Linke, Director of Community Development

Exhibit A

**NSK Corporation**
**Legal Description of Property Attachment**
**Franklin Abatement Application**

| Parcel | Legal Description | Acreage | Land Type |
|---|---|---|---|
| 41-05-34-042-005.000-009 | SW 1/4 SE 1/4 S34 T13 R4 | 5.313 | Undeveloped Unusable |
| 41-05-34-042-008.000-009 | SW SE S34 T13 R4 | 15.000 | Primary |
| | | 11.440 | Undeveloped Usable |
| | | 2.608 | Tillable Land |
| | | 1.822 | Tillable Land |
| 41-99-31-001-112.000-009 | Personal Property | | |

EXHIBIT B

# STATEMENT OF BENEFITS
# PERSONAL PROPERTY

State Form 51764 (R / 1-06)
Prescribed by the Department of Local Government Finance

**FORM SB-1 / PP**

**PRIVACY NOTICE**
The cost and any specific individual's salary information is confidential; the balance of the filing is public record per IC 6-1.1-12.1-5.1 (c) and (d).

*INSTRUCTIONS:*

1. *This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body **BEFORE** a person installs the new manufacturing equipment and/or research and development equipment, and/or logistical distribution equipment and/or information technology equipment for which the person wishes to claim a deduction. "Projects" planned or committed to after July 1, 1987, and areas designated after July 1, 1987, require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)*
2. *Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to installation of the new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment, **BEFORE** a deduction may be approved*
3. *To obtain a deduction, a person must file a certified deduction schedule with the person's personal property return on a certified deduction schedule (Form 103-ERA) with the township assessor of the township where the property is situated. The 103-ERA must be filed between March 1 and May 15 of the assessment year in which new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment is installed and fully functional, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between March 1 and the extended due date of that year.*
4. *Property owners whose Statement of Benefits was approved after June 30, 1991, must submit Form CF-1 / PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)*
5. *The schedules established under IC 6-1.1-12.1-4.5(d) and (e) apply to equipment installed after March 1, 2001. For equipment installed prior to March 2, 2001, the schedules and statutes in effect at the time shall continue to apply. (IC 6-1.1-12.1-4.5(f) and (g))*

**SECTION 1 — TAXPAYER INFORMATION**

Name of taxpayer: NSK Corporation

Address of taxpayer (*number and street, city, state, and ZIP code*): P.O. Box 134007, Ann Arbor, MI 48113

Name of contact person: Rachel Allen, CPA

Telephone number: (734) 913-7588

**SECTION 2 — LOCATION AND DESCRIPTION OF PROPOSED PROJECT**

Name of designating body: City of Franklin Common Council

Resolution number (s):

Location of property: 3400 Bearing Drive, Franklin, IN 46131

County: Johnson

DLGF taxing district number:

Description of manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment. (*use additional sheets if necessary*)

Grinding, machining, assembly, and inspection equipment to produce hub bearings for the automotive passenger car market

| | ESTIMATED START DATE | ESTIMATED COMPLETION DATE |
|---|---|---|
| Manufacturing Equipment | 1/1/2017 | 5/31/2017 |
| R & D Equipment | | |
| Logist Dist Equipment | | |
| IT Equipment | | |

**SECTION 3 — ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT**

| Current number | Salaries | Number retained | Salaries | Number additional | Salaries |
|---|---|---|---|---|---|
| 254 | $11,935,389.00 | 12 | $411,840.00 | 1 | $57,200.00 |

**SECTION 4 — ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT**

NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.

| | MANUFACTURING EQUIPMENT | | R & D EQUIPMENT | | LOGIST DIST EQUIPMENT | | IT EQUIPMENT | |
|---|---|---|---|---|---|---|---|---|
| | COST | ASSESSED VALUE | COST | ASSESSED VALUE | COST | ASSESSED VALUE | COST | ASSESSED VALUE |
| Current values | $118,418,041.00 | | | | | | | |
| Plus estimated values of proposed project | $6,625,200.00 | | | | | | | |
| Less values of any property being replaced | $322,034.00 | | | | | | | |
| Net estimated values upon completion of project | $124,721,207.00 | | | | | | | |

**SECTION 5 — WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER**

Estimated solid waste converted (*pounds*) 0.00

Estimated hazardous waste converted (*pounds*) 0.00

Other benefits:

**SECTION 6 — TAXPAYER CERTIFICATION**

I hereby certify that the representations in this statement are true.

| Signature of authorized representative | Title | Date signed (*month, day, year*) |
|---|---|---|
| [signature] | Plant Manager | 9-26-2016 |

## FOR USE OF THE DESIGNATING BODY

We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

A. The designated area has been limited to a period of time not to exceed ____________ calendar years * *(see below)*. The date this designation expires is ______________________________.

B. The type of deduction that is allowed in the designated area is limited to:
1. Installation of new manufacturing equipment; ☑ Yes ☐ No
2. Installation of new research and development equipment; ☐ Yes ☑ No
3. Installation of new logistical distribution equipment. ☐ Yes ☑ No
4. Installation of new information technology equipment; ☐ Yes ☑ No

C. The amount of deduction applicable to new manufacturing equipment is limited to $ 6,625,000 cost with an assessed value of $ __________________.

D. The amount of deduction applicable to new research and development equipment is limited to $ __________________ cost with an assessed value of $ ______________________.

E. The amount of deduction applicable to new logistical distribution equipment is limited to $ __________________ cost with an assessed value of $ __________________.

F. The amount of deduction applicable to new information technology equipment is limited to $ __________________ cost with an assessed value of $ __________________.

G. Other limitations or conditions *(specify)*______________________________________________

H. The deduction for new manufacturing equipment and/or new research and development equipment and/or new logistical distribution equipment and/or new information technology equipment installed and first claimed eligible for deduction on or after July 1, 2000, is allowed for:

| | | |
|---|---|---|
| ☐ 1 year | ☐ 6 years | ** For ERA's established prior to July 1, 2000, only a 5 or 10 year schedule may be deducted. |
| ☐ 2 years | ☑ 7 years | |
| ☐ 3 years | ☐ 8 years | |
| ☐ 4 years | ☐ 9 years | |
| ☐ 5 years ** | ☐ 10 years ** | |

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

| Approved: *(signature and title of authorized member)* | Telephone number | Date signed *(month, day, year)* |
|---|---|---|
| [signature] Steve Barnett Council Pres. | 317-736-3602 | 10-17-16 |
| **Attested by:** | **Designated body** | |
| [signature] Krista Linke Director Comm. Dev. | City Common Council | |

* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.1-12.1-4.5