



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Memorandum

To: Economic Development Commission

From: Rhoni Oliver

Date: September 6, 2018

Re: Mitsubishi Turbocharger and Engine America, Inc. – Request for Waiver of Non-Compliance

On February 12, 2013, the Franklin Common Council passed Resolution No. 2013-07, and on December 10, 2013 passed Resolution No. 2013-32 amending Resolution No. 2013-07, approving a 10-year tax abatement on real property with a 5% economic development fee for Mitsubishi Turbocharger and Engine America, Inc. located at 1200 N. Mitsubishi Parkway. Mitsubishi Turbocharger and Engine America, Inc. submitted the 2015, 2016, 2017, and 2018 Compliance reports timely and all were approved by EDC and City Council as demonstrated in attached documents. Mitsubishi Turbocharger and Engine America, Inc. has not received the tax abatement deductions. After talking to the Johnson County Auditor's offices, they were informed they need to file a Form 103 ERA for the personal property tax deduction. They did not know they were required to file this form with the county.

Mitsubishi Turbocharger and Engine America, Inc. has had to pay taxes in full. The remedy to this situation is for the City of Franklin to pass a waiver of non-compliance for the failure to fill out the required county forms. It is my understanding from the county, that once the waiver of non-compliance is granted, a credit will be given on taxes moving forward. A resolution will be prepared for the City Council to review and approve for this purpose, if that is what the Economic Development Commission chooses to recommend.

If you have any questions regarding this request, please contact me directly at 346-1254.



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 2015-26: Mitsubishi Engine North America (MENA)

Summary:

- On March 4th, 2013, the Franklin Common Council passed Resolution No. 2013-06, approving a 10-year tax abatement with a 5% economic development fee for personal property for Mitsubishi, located at 1200 N. Mitsubishi Parkway. On December 16th, 2013, the Franklin Common Council amended this resolution due to a project delay. Resolution 2013-32 amended Resolution 2013-07 and extended the completion date from December 31st, 2014 to October 1st, 2015.
- Actual and estimated benefits, as projected for 2014:

	Estimated on SB-1	Actual in 2014	Difference
New Employees	73	17	-56
Salaries	\$3,114,238	\$988,259	-\$2,125,979
Average Hourly Wage	\$20.51	\$27.95	\$7.44
Personal Property Improvements	\$7,274,375	\$5,382,352	-\$1,892,023

- The project start date was delayed and the completion date was extended to 10/1/15. This caused the company to adjust the job creation timetable chart. See the attached letter from Atsushi Hagita dated February 25, 2015.
- The company estimated on their original application that they would hire 73 new employees with the purchase of \$7,693,125 in machinery and equipment. They amended their start and completion date through Resolution 2015-32. They have indicated now that they only intend to purchase \$5,382,352 in machinery and equipment and hire 60 new employees total by the end of 2015. The change in investment amount and decrease in number of new employees may result in the need for another amendment needed.
- The average hourly salaries are higher than estimated.
- The personal property tax abatement is scheduled to expire in tax year 2024 payable 2025. Their last year for compliance review will be 2025.

Staff Recommendation: Approval



COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51765 (R2 / 5-13)

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 Mitsubishi Engine North America (MENA)	
Address of taxpayer (number and street, city, state, and ZIP code) 1200 North Mitsubishi Parkway, Franklin, Indiana 46131	
Name of contact person Atsushi Hagita	Telephone number (317) 346-5280
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY	
Name of designating body City of Franklin Common Council	Resolution number 13-07, amended 13-32
Location of property 1200 North Mitsubishi Parkway, Franklin, Indiana 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. Equipment and machinery for manufacturing of turbochargers. 2014 expenditures see (amended Company Investment Timetable for 2015 expenditures)	DLGF taxing district number 41-018
	Estimated starting date (month, day, year) 6-1-2014
	Estimated completion date (month, day, year) 10-1-2015

SECTION 3 EMPLOYEES AND SALARIES		
EMPLOYEES AND SALARIES	AS ESTIMATED ON SB-1	ACTUAL
Current number of employees	0.00	0.00
Salaries	0.00	0.00
Number of employees retained	0.00	0.00
Salaries	0.00	0.00
Number of additional employees <i>See amended Job Creation / Retention Timetable</i>	73.00	17.00
Salaries	3,114,238.00	988,258.00

SECTION 4 COST AND VALUES								
AS ESTIMATED ON SB-1	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	0.00	0.00			0.00	0.00	0.00	0.00
Plus: Values of proposed project	7,274,375.00	7,274,375.00			418,750.00	418,750.00	18,436.00	18,436.00
Less: Values of any property being replaced								
Net values upon completion of project	7,274,375.00	7,274,375.00			418,750.00	418,750.00	18,436.00	18,436.00
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	0.00	0.00			0.00	0.00	0.00	0.00
Plus: Values of proposed project	7,274,375.00	7,274,375.00			418,750.00	418,750.00	18,436.00	18,436.00
Less: Values of any property being replaced								
Net values upon completion of project	3,321,748.00	3,321,748.00			15,283.00	15,283.00	18,436.00	18,436.00

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	0.00	0.00
Amount of hazardous waste converted	0.00	0.00
Other benefits: <i>MENA will produce turbochargers that conserve fuel - more fuel-efficient car engines</i>		

SECTION 6 TAXPAYER CERTIFICATION		
I hereby certify that the representations in this statement are true.		
Signature of authorized representative <i>Atsushi Hagita</i>	Title Vice President	Date signed (month, day, year) 2/27/15

OPTIONAL: FOR USE BY A DESIGNATING BODY WHO ELECTS TO REVIEW THE COMPLIANCE WITH STATEMENT OF BENEFITS (FORM CF-1)
THAT WAS APPROVED AFTER JUNE 30, 1991.

INSTRUCTIONS: (IC 6-1.1-12.1-5.9)

1. This page does not apply to a Statement of Benefits filed before July 1, 1991; that deduction may not be terminated for a failure to comply with the Statement of Benefits.
2. Within forty-five (45) days after receipt of this form, the designating body may determine whether or not the property owner has substantially complied with the Statement of Benefits.
3. If the property owner is found **NOT** to be in substantial compliance, the designating body shall send the property owner written notice. The notice must include the reasons for the determination and the date, time and place of a hearing to be conducted by the designating body. If a notice is mailed to a property owner, a copy of the written notice will be sent to the Township Assessor and the County Auditor.
4. Based on the information presented at the hearing, the designating body shall determine whether or not the property owner has made reasonable effort to substantially comply with the Statement of Benefits.
5. If the designating body determines that the property owner has **NOT** made reasonable effort to comply, then the designating body shall adopt a resolution terminating the deduction. The designating body shall immediately mail a certified copy of the resolution to: (1) the property owner; (2) the County Auditor; and (3) the Township Assessor.

We have reviewed the CF-1 and find that:

- ☒ the property owner **IS** in substantial compliance
- ☐ the property owner **IS NOT** in substantial compliance
- ☐ other (specify) _____

Reasons for the determination (attach additional sheets if necessary)

Signature of authorized member

Stephen Barnett,
Council President

Date signed (month, day, year)

05-04-2015

Attested by:

Krista Linke, Director of Community Development

Designating body

City of Franklin Common Council

If the property owner is found not to be in substantial compliance, the property owner shall receive the opportunity for a hearing. The following date and time has been set aside for the purpose of considering compliance.

Time of hearing

☐ AM
☐ PM

Date of hearing (month, day, year)

Location of hearing

HEARING RESULTS (to be completed after the hearing)

☐ Approved

☐ Denied (see instruction 5 above)

Reasons for the determination (attach additional sheets if necessary)

Signature of authorized member

Date signed (month, day, year)

Attested by:

Designating body

APPEAL RIGHTS [IC 6-1.1-12.1-5.9(e)]

A property owner whose deduction is denied by the designating body may appeal the designating body's decision by filing a complaint in the office of the Circuit or Superior Court together with a bond conditioned to pay the costs of the appeal if the appeal is determined against the property owner.



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Memorandum

To: City of Franklin Economic Development Commission
From: Krista Linke, Community Development Director
Date: March 30, 2016
Re: Case C 2016-30: Mitsubishi Engine North America (MENA)

Summary:

1. On March 4th, 2013, the Franklin Common Council passed Resolution No. 2013-06, approving a 10-year tax abatement with a 5% economic development fee for personal property for Mitsubishi, located at 1200 N. Mitsubishi Parkway. On December 16th, 2013, the Franklin Common Council amended this resolution due to a project delay. Resolution 2013-32 amended Resolution 2013-07 and extended the completion date from December 31st, 2014 to October 1st, 2015.
2. Actual and estimated benefits, as projected for 2015:

	Estimated on SB-1	Actual in 2015	Difference
New Employees	73	52	-21
Salaries	\$3,114,238	\$2,122,000	-\$992,238
Average Hourly Wage	\$20.51	\$19.62	-\$0.89
Personal Property Improvements	\$7,274,375	\$4,875,809	-\$2,398,566

3. The project start date was delayed and the completion date was extended to 10/1/15. This caused the company to adjust the job creation timetable chart. See the attached letter from Atsushi Hagita dated February 25, 2016.
4. The company estimated on their original application that they would hire 73 new employees with the purchase of \$7,693,125 in machinery and equipment. They amended their start and completion date through Resolution 2015-32. The company did not meet the estimated number of employees nor the personal property investment by 10/1/15. MENA plans to invest an additional \$3,042,583.00 for a total investment of \$7,918,392.00 and hire an additional 22 associates for a total of 74 during 2016.
5. The average hourly salaries are slightly lower.
6. The personal property tax abatement is scheduled to expire in tax year 2024 payable 2025. Their last year for compliance review will be 2025.

Staff Recommendation: Approval



COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51765 (R2 / 5-13)

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 Mitsubishi Engine North America (MENA)								
Address of taxpayer (number and street, city, state, and ZIP code) 1200 North Mitsubishi Parkway, Franklin, Indiana 46131								
Name of contact person Atsushi Hagita		Telephone number (317) 346-5280						
SECTION 2		LOCATION AND DESCRIPTION OF PROPERTY						
Name of designating body City of Franklin Common Council		Resolution number 13-07, amended 13-32						
Location of property 1200 North Mitsubishi Parkway, Franklin, Indiana 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. Equipment and machinery for manufacturing of turbochargers. 2014 expenditures see (amended Company Investment Timetable for 2015 expenditures)		DLGF taxing district number 41-018						
		Estimated starting date (month, day, year) 6-1-2014						
		Estimated completion date (month, day, year) 10-1-2015						
SECTION 3		EMPLOYEES AND SALARIES						
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL					
Current number of employees		0.00	0.00					
Salaries		0.00	0.00					
Number of employees retained		0.00	0.00					
Salaries		0.00	0.00					
Number of additional employees	See amended Job Creation / Retention Timetable	73.00	52.00					
Salaries		3,114,238.00	2,122,000.00					
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	0.00	0.00			0.00	0.00	0.00	0.00
Plus: Values of proposed project	7,274,375.00	7,274,375.00			418,750.00	418,750.00	18,436.00	18,436.00
Less: Values of any property being replaced								
Net values upon completion of project	7,274,375.00	7,274,375.00			418,750.00	418,750.00	18,436.00	18,436.00
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	0.00	0.00			0.00	0.00	0.00	0.00
Plus: Values of proposed project	7,274,375.00	7,274,375.00			418,750.00	418,750.00	18,436.00	18,436.00
Less: Values of any property being replaced								
Net values upon completion of project	4,611,318.00	4,611,318.00			246,055.00	246,055.00	18,436.00	18,436.00
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		0.00	0.00					
Amount of hazardous waste converted		0.00	0.00					
Other benefits: MENA will produce turbochargers that conserve fuel - more fuel-efficient car engines								
SECTION 6		TAXPAYER CERTIFICATION						
I hereby certify that the representations in this statement are true.								
Signature of authorized representative 		Title Vice President	Date signed (month, day, year) 2/25/16					

OPTIONAL: FOR USE BY A DESIGNATING BODY WHO ELECTS TO REVIEW THE COMPLIANCE WITH STATEMENT OF BENEFITS (FORM CF-1)
THAT WAS APPROVED AFTER JUNE 30, 1991

INSTRUCTIONS: (IC 6-1.1-12.1-5.1 and IC 6-1.1-12.1-5.9)

1. Not later than forty-five (45) days after receipt of this form, the designating body may determine whether or not the property owner has substantially complied with the Statement of Benefits (Form SB-1/Real Property).
2. If the property owner is found **NOT** to be in substantial compliance, the designating body shall send the property owner written notice. The notice must include the reasons for the determination and the date, time and place of a hearing to be conducted by the designating body. The date of this hearing may not be more than thirty (30) days after the date this notice is mailed. A copy of the notice may be sent to the county auditor and the county assessor.
3. Based on the information presented at the hearing, the designating body shall determine whether or not the property owner has made reasonable efforts to substantially comply with the Statement of Benefits (Form SB-1/Real Property) and whether any failure to substantially comply was caused by factors beyond the control of the property owner.
4. If the designating body determines that the property owner has **NOT** made reasonable efforts to comply, then the designating body shall adopt a resolution terminating the property owner's deduction. If the designating body adopts such a resolution, the deduction does not apply to the next installment of property taxes owed by the property owner or to any subsequent installment of property taxes. The designating body shall immediately mail a certified copy of the resolution to: (1) the property owner; (2) the county auditor; and (3) the county assessor.

We have reviewed the CF-1 and find that:

- ☒ the property owner **IS** in substantial compliance
- ☐ the property owner **IS NOT** in substantial compliance
- ☐ other (specify) _____

Reasons for the determination (attach additional sheets if necessary)

Signature of authorized member


X: 

Stephen Barnett, Council President

Date signed (month, day, year)

4-18-16

Attested by:



Krista Linke, Director of Community Development

Designating body

City of Franklin Common Council

If the property owner is found not to be in substantial compliance, the property owner shall receive the opportunity for a hearing. The following date and time has been set aside for the purpose of considering compliance. (Hearing must be held within thirty (30) days of the date of mailing of this notice.)

Time of hearing

☐ AM
☐ PM

Date of hearing (month, day, year)

Location of hearing

HEARING RESULTS (to be completed after the hearing)

☐ Approved

☐ Denied (see instruction 5 above)

Reasons for the determination (attach additional sheets if necessary)

Signature of authorized member

Date signed (month, day, year)

Attested by:

Designating body

APPEAL RIGHTS [IC 6-1.1-12.1-5.9(e)]

A property owner whose deduction is denied by the designating body may appeal the designating body's decision by filing a complaint in the office of the Circuit or Superior Court together with a bond conditioned to pay the costs of the appeal if the appeal is determined against the property owner.



CITY OF FRANKLIN

Community Development Department

Memorandum

To: City of Franklin Economic Development Commission

From: Rhoni Oliver, Community Development Specialist

Date: April 24, 2017

Re: Case C 2017-30: Mitsubishi Turbocharger& Engine America – MTEA (formerly Mitsubishi Engine North America-MTEA)

Summary:

- On March 4th, 2013, the Franklin Common Council passed Resolution No. 2013-06, approving a 10-year tax abatement with a 5% economic development fee for personal property for Mitsubishi, located at 1200 N. Mitsubishi Parkway. On December 16th, 2013, the Franklin Common Council amended this resolution due to a project delay. Resolution 2013-32 amended Resolution 2013-07 and extended the completion date from December 31st, 2014 to October 1st, 2015.
- Actual and estimated benefits, as projected for 2016:

	Estimated on SB-1	Actual in 2016	Difference
New Employees	73	103	30
Salaries	\$3,114,238	\$4,910,630	\$1,796,392
Average Hourly Salaries	\$20.51	\$22.92	\$2.41
Personal Property Improvements	\$7,274,375	\$7,032,716	-\$241,659

- The project start date was delayed and the completion date was extended to 10/1/15. This caused the company to adjust the job creation timetable chart. See the attached chart from Yoshifumi Nuruyu.
- The company estimated on their original application that they would hire 73 new employees with the purchase of \$7,693,125 in machinery and equipment. They amended their start and completion date through Resolution 2015-32. The company did not meet the estimated number of employees nor the personal property investment by 10/1/15. MENA plans to invest an additional \$3,042,583.00 for a total investment of \$7,918,392.00 and hire an additional 22 associates for a total of 95 during 2016. The number of employees exceeds the SB-1 estimate, as does the average hourly salary. An additional \$2,156,907 personal property investment was made in 2016, which is still \$241,659 short of the SB-1 estimate. No projection for personal property investment was included for 2017.
- The personal property tax abatement is scheduled to expire in tax year 2024 payable 2025. Their last year for compliance review will be 2025.

Staff Recommendation: Approval

**COMPLIANCE WITH STATEMENT OF BENEFITS
PERSONAL PROPERTY**

State Form 51765 (R2 / 5-13)

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 Mitsubishi Turbocharger and Engine America, Inc. (MTEA) <i>old name: Mitsubishi Engine North America, Inc (HENA)...</i>	
Address of taxpayer (number and street, city, state, and ZIP code) 1200 North Mitsubishi Parkway, Franklin, Indiana 46131	
Name of contact person Atsushi Hagita	Telephone number (317) 346-5280

SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY	
Name of designating body City of Franklin Common Council	Resolution number 13-07, amended 13-32
Location of property 1200 North Mitsubishi Parkway, Franklin, Indiana 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. Equipment and machinery for manufacturing of turbochargers. 2014 expenditures see (amended Company Investment Timetable for 2015 expenditures)	DLGF taxing district number 41-018
	Estimated starting date (month, day, year) 6-1-2014
	Estimated completion date (month, day, year) 10-1-2015

SECTION 3 EMPLOYEES AND SALARIES		
EMPLOYEES AND SALARIES	AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		
Salaries		
Number of employees retained		
Salaries		
Number of additional employees <i>See amended Job Creation / Retention Timetable</i>	73.00	103.00
Salaries	3,114,238.00	4,910,630.40

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	0.00	0.00			0.00	0.00	0.00	0.00
Plus: Values of proposed project	7,274,375.00	7,274,375.00			418,750.00	418,750.00	18,436.00	18,436.00
Less: Values of any property being replaced								
Net values upon completion of project	7,274,375.00	7,274,375.00			418,750.00	418,750.00	18,436.00	18,436.00
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	0.00	0.00			0.00	0.00	0.00	0.00
Plus: Values of proposed project	7,274,375.00	7,274,375.00			418,750.00	418,750.00	18,436.00	18,436.00
Less: Values of any property being replaced								
Net values upon completion of project	7,032,716.00	7,032,716.00			506,345.00	506,345.00	18,436.00	18,436.00

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	0.00	0.00
Amount of hazardous waste converted	0.00	0.00
Other benefits: <i>MTEA produce turbochargers that conserve fuel - more fuel - efficient car engines.</i>		

SECTION 6 TAXPAYER CERTIFICATION		
I hereby certify that the representations in this statement are true.		
Signature of authorized representative <i>Atsushi Hagita</i>	Title President	Date signed (month, day, year) 4/24/17

OPTIONAL FOR USE BY A DESIGNATING BODY WHO ELECTS TO REVIEW THE COMPLIANCE WITH STATEMENT OF BENEFITS (FORM CF-1)
THAT WAS APPROVED AFTER JUNE 30, 1991

INSTRUCTIONS: (IC 6-1.1-12.1-5.9)

1. This page does not apply to a Statement of Benefits filed before July 1, 1991; that deduction may not be terminated for a failure to comply with the Statement of Benefits.
2. Within forty-five (45) days after receipt of this form, the designating body may determine whether or not the property owner has substantially complied with the Statement of Benefits.
3. If the property owner is found **NOT** to be in substantial compliance, the designating body shall send the property owner written notice. The notice must include the reasons for the determination and the date, time and place of a hearing to be conducted by the designating body. If a notice is mailed to a property owner, a copy of the written notice will be sent to the Township Assessor and the County Auditor.
4. Based on the information presented at the hearing, the designating body shall determine whether or not the property owner has made reasonable effort to substantially comply with the Statement of Benefits.
5. If the designating body determines that the property owner has **NOT** made reasonable effort to comply, then the designating body shall adopt a resolution terminating the deduction. The designating body shall immediately mail a certified copy of the resolution to: (1) the property owner; (2) the County Auditor; and (3) the Township Assessor.

We have reviewed the CF-1 and find that:

- ☒ the property owner **IS** in substantial compliance
- ☐ the property owner **IS NOT** in substantial compliance
- ☐ other (specify) _____

Reasons for the determination (attach additional sheets if necessary)

Signature of authorized member

[Signature]

Keith Fox, Council President

Date signed (month, day, year)

5-1-17

Attested by:

[Signature]

Rhoni Oliver

Designating body

Community Development Specialist Franklin Common Council

If the property owner is found not to be in substantial compliance, the property owner shall receive the opportunity for a hearing. The following date and time has been set aside for the purpose of considering compliance.

Time of hearing

☐ AM
☐ PM

Date of hearing (month, day, year)

Location of hearing

HEARING RESULTS (to be completed after the hearing)

☐ Approved

☐ Denied (see instruction 5 above)

Reasons for the determination (attach additional sheets if necessary)

Signature of authorized member

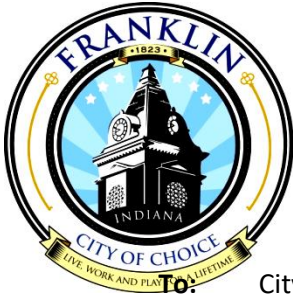
Date signed (month, day, year)

Attested by:

Designating body

APPEAL RIGHTS [IC 6-1.1-12.1-5.9(e)]

A property owner whose deduction is denied by the designating body may appeal the designating body's decision by filing a complaint in the office of the Circuit or Superior Court together with a bond conditioned to pay the costs of the appeal if the appeal is determined against the property owner.



CITY OF FRANKLIN

Community Development Department

Memorandum

To: City of Franklin Economic Development Commission

From: Rhoni Oliver, Community Development Specialist

Date: March 8, 2018

Re: Case C 2018-33: Mitsubishi Turbocharger & Engine America – MTEA (formerly Mitsubishi Engine North America-MENA)

Summary:

1. On March 4th, 2013, the Franklin Common Council passed Resolution No. 2013-06, approving a 10-year tax abatement with a 5% economic development fee for personal property for Mitsubishi, located at 1200 N. Mitsubishi Parkway. On December 16th, 2013, the Franklin Common Council amended this resolution due to a project delay. Resolution 2013-32 amended Resolution 2013-07 and extended the completion date from December 31st, 2014 to October 1st, 2015.
2. Actual and estimated benefits, as projected for 2017:

	Estimated on SB-1	Actual in 2017	Difference
New Employees	73	110	37
Salaries	\$3,114,238	\$5,226,067	\$2,111,829
Average Hourly Wage	\$20.51	\$22.84	\$2.33
Personal Property Improvements	\$7,274,375	\$7,113,866	-\$160,509

3. The project start date was delayed and the completion date was extended to 10/1/15. This caused the company to adjust the job creation timetable chart. See the attached chart from Yoshifumi Nuruyu.
4. MTEA estimated 73 new employees with the purchase of \$7,693,125 in machinery and equipment on the SB-1. They amended the start and completion date through Resolution 2015-32. The company did not meet the estimated number of employees nor the personal property investment by 10/1/15. MENA plans to invest an additional \$3,042,583.00 for a total investment of \$7,918,392.00 and hire an additional 22 associates for a total of 74 during 2016. . An additional \$2,156,907 personal property investment was made in 2016, which is still \$241,659 short of the SB-1 estimate. No projection for personal property investment was included for 2017. In 2017 the number of employees and hourly wages exceed the SB-1 estimate. MTEA invested an additional \$81,150 in personal property in 2017. Personal property investment is \$160,509 less than the SB-1 estimate.
5. The personal property tax abatement is scheduled to expire in tax year 2024 payable 2025. Their last year for compliance review will be 2025.

Staff Recommendation: Approval



COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51765 (R2 / 5-13)

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 Mitsubishi Turbocharger and Engine America, Inc. (MTEA)	
Address of taxpayer (number and street, city, state, and ZIP code) 1200 North Mitsubishi Parkway, Franklin, Indiana 46131	
Name of contact person Yasuyuki Ota	Telephone number (317) 346-5280

SECTION 2

LOCATION AND DESCRIPTION OF PROPERTY

Name of designating body City of Franklin Common Council		Resolution number 13-07, amended 13-32
Location of property 1200 North Mitsubishi Parkway, Franklin, Indiana 46131	County Johnson	DLGF taxing district number 41-018
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired. Equipment and machinery for manufacturing of turbochargers.		Estimated starting date (month, day, year) 6-1-2014
2014 expenditures see (amended Company Investment Timetable for 2015 expenditures)		Estimated completion date (month, day, year) 10-1-2015

SECTION 3

EMPLOYEES AND SALARIES

EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees			
Salaries			
Number of employees retained			
Salaries			
Number of additional employees	<i>See amended Job creation/Retention timetable</i>	73.00	110.00
Salaries		3,114,238.00	5,226,067.20

SECTION 4

COST AND VALUES

AS ESTIMATED ON SB-1	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	0.00	0.00			0.00	0.00	0.00	0.00
Plus: Values of proposed project	7,274,375.0	7,274,375.0			418,750.00	418,750.00	18,436.00	18,436.00
Less: Values of any property being replaced								
Net values upon completion of project	7,274,375.0	7,274,375.0			418,750.00	418,750.00	18,436.00	18,436.00
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	0.00	0.00			0.00	0.00	0.00	0.00
Plus: Values of proposed project	7,113,866.91	7,113,866.91			566,283.91	566,283.91	194,297.29	194,297.29
Less: Values of any property being replaced								
Net values upon completion of project	7,113,866.91	7,113,866.91			566,283.91	566,283.91	194,297.29	194,297.29

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	0.00	0.00
Amount of hazardous waste converted	0.00	0.00
Other benefits: <i>MTEA produce turbochargers that conserve fuel - more fuel - efficient car engines</i>		

SECTION 6

TAXPAYER CERTIFICATION

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

Signature of authorized representative 	Title Vice President	Date signed (month, day, year) 2.21.2018
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Yasuyuki Ota

**OPTIONAL: FOR USE BY A DESIGNATING BODY WHO ELECTS TO REVIEW THE COMPLIANCE WITH STATEMENT OF BENEFITS (FORM CF-1)
THAT WAS APPROVED AFTER JUNE 30, 1991.**

INSTRUCTIONS: (IC 6-1.1-12-5.9)

1. This page does not apply to a Statement of Benefits filed before July 1, 1991; that deduction may not be terminated for a failure to comply with the Statement of Benefits.
2. Within forty-five (45) days after receipt of this form, the designating body may determine whether or not the property owner has substantially complied with the Statement of Benefits.
3. If the property owner is found **NOT** to be in substantial compliance, the designating body shall send the property owner written notice. The notice must include the reasons for the determination and the date, time and place of a hearing to be conducted by the designating body. If a notice is mailed to a property owner, a copy of the written notice will be sent to the Township Assessor and the County Auditor.
4. Based on the information presented at the hearing, the designating body shall determine whether or not the property owner has made reasonable effort to substantially comply with the Statement of Benefits.
5. If the designating body determines that the property owner has **NOT** made reasonable effort to comply, then the designating body shall adopt a resolution terminating the deduction. The designating body shall immediately mail a certified copy of the resolution to: (1) the property owner; (2) the County Auditor; and (3) the Township Assessor.

We have reviewed the CF-1 and find that:

- ☒ the property owner **IS** in substantial compliance
- ☐ the property owner **IS NOT** in substantial compliance
- ☐ other (specify) _____

Reasons for the determination (attach additional sheets if necessary)

Signature of authorized member

Ken Austin City Council President

Date signed (month, day, year)

03/19/18

Attested by:

Rhonda Oliver Community Development Specialist

Designating body

Franklin Common Council

If the property owner is found not to be in substantial compliance, the property owner shall receive the opportunity for a hearing. The following date and time has been set aside for the purpose of considering compliance.

Time of hearing

☐ AM
☐ PM

Date of hearing (month, day, year)

Location of hearing

HEARING RESULTS (to be completed after the hearing)

☐ Approved

☐ Denied (see instruction 5 above)

Reasons for the determination (attach additional sheets if necessary)

Signature of authorized member

Date signed (month, day, year)

Attested by:

Designating body

APPEAL RIGHTS [IC 6-1.1-12.1-5.9(e)]

A property owner whose deduction is denied by the designating body may appeal the designating body's decision by filing a complaint in the office of the Circuit or Superior Court together with a bond conditioned to pay the costs of the appeal if the appeal is determined against the property owner.