



CITY OF FRANKLIN

Community Development Department

Memorandum

To: City of Franklin Economic Development Commission

From: Rhoni Oliver, Community Development Specialist

Date: April 26, 2019

Re: Case C 2019-34: NSK Corporation (10-19/13-02)

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 2018:

	Estimated on SB-1	Actual in 2018	Difference
Total Employees	204	253	49
Salaries	\$11,603,000	\$18,169,314	\$6,566,314
Average Hourly Salaries	\$27.34	\$34.53	\$7.18
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. NSK has exceeded the number of employees estimated on their SB-1 Form. Their estimated average hourly wage is considerably 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



April 8, 2019

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

Re: 2019 Tax Abatement Compliance Packet for NSK Corporation

Dear Ms. Linke:

Please find enclosed Forms CF-1/PP (Compliance with Statement of Benefits) regarding compliance with the personal property tax abatements granted to NSK Corporation in 2010, 2013, and 2016 under Franklin Common Council Resolution numbers 13-02 (formerly 10-19), 13-20 and 16-19.

NSK has been successful in making all of the capital investments and creating the full complement of jobs projected under Resolution number 13-02.

Per our supporting documentation, previous conversations, and previous years' compliance packet letters regarding Resolution 13-20, we did not meet our original capital expenditure target of \$20m. We had a substantially smaller investment, some of which was due to business we did not win, and some of which was canceled due to changes in business plans at global headquarters as a result of the lost business and significant currency fluctuations between the US dollar and the Japanese Yen. Our headcount is currently slightly under the estimate on our SB-1 filing, but we would like to draw increased attention to the fact that our salary amount is much higher than the original estimate.

In regards to our project for Resolution 16-19, NSK is in the process of making all of the capital investments and has created (with the exception of one position) the full complement of jobs projected under Resolution number 16-19.

Please contact me at (734) 913-7597 if you have any questions or concerns during your review of the enclosed documents.

Thank you,

A handwritten signature in cursive script that reads "Amy Miller".

Amy Miller
Tax Manager



COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51765 (R4 / 11-16)

Prescribed by the Department of Local Government Finance

FORM CF-1 / PP

PRIVACY NOTICE

This form contains information
confidential pursuant to
IC 6-1.1-35-9 and IC 6-1.1-12.1-5.6.

- 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 January 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 January 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	County Johnson
Address of taxpayer (number and street, city, state, and ZIP code) P.O. Box 134007, Ann Arbor, MI 48113-4007	DLGF taxing district number
Name of contact person Amy Miller	Telephone number (734) 913-7597

SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY		
Name of designating body The City of Franklin Common Council	Resolution number 13-02, formerly 10-19	Estimated start date (month, day, year) 11/01/2010
Location of property 3400 Bearing Drive, Franklin, IN 46131		Actual start date (month, day, year) 11/01/2010
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 completion date (month, day, year) 07/31/2012
		Actual 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	253
Salaries	11,603,000.00	18,169,314.00
Number of employees retained	8	8
Salaries	276,000.00	276,000.00
Number of additional employees	24	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	0.00	0.00						
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	60,627.00	18,188.00						
Net values upon completion of project	102,924,786.00	23,262,436.00						

NOTE: The COST of the property is confidential pursuant to IC 6-1.1-12.1-5.6(c).

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 <i>Amy Miller</i>	Title Tax Manager	Date signed (month, day, year) 4/8/19

Legacy Dept No	Legacy Asset No	Legacy System No	New Cost Center No	New Asset No	Class	Resolution #	Asset Classification	Description	Acq Value
RA20A	22RA28MMB331	16951	3004401	128955	08	13-02	Mach & Equip	AUTO INNER RING MEASURING MACHINE	129,330
RA2A	22RA28MMA320	16954	3004401	126144	08	13-02	Mach & Equip	AUTO OUTER RING MEASURING MACHINE	95,165
RA20A	22RA28MAA323	16963	3004401	131655	08	13-02	Mach & Equip	AUTO VIBRATION TESTING MACHINE	208,119
RA30A	22RA38MAA323	17005	3004401	130771	08	13-02	Mach & Equip	BCD HEIGHT CHECKING MACHINE	185,891
RA20A	22RA38MMB331	17003	3004401	125245	08	13-02	Mach & Equip	CAGE PRESS MACHINE	124,627
RA30A	22RA38AP322TM	16956	3004401	131657	08	13-02	Mach & Equip	CAGE PRESS MACHINE	95,688
RA30A	22RA28ZM320	16959	3004401	126145	08	13-02	Mach & Equip	ECT CONVEYOR INNER RING	43,494
RA30A	22RA38MM320	16958	3004401	128015	08	13-02	Mach & Equip	ECT CONVEYOR INNER RING	52,072
RA2A	22RA2AM320	16953	3004401	128013	08	13-02	Mach & Equip	ECT CONVEYOR OUTER RING	43,494
223A3	223A3AS38328KHE	16948	3004463	125246	08	13-02	Mach & Equip	ENCODER SEAL & CAP PRESS & CHECK MACHINE	285,711
220G1	220HP011202	16947	3003050	128011	08	13-02	Mach & Equip	FACE GRIND MACHINE (JL LUCAS)	348,284
RA20A	22RA28VWF308M	16962	3004401	126146	08	13-02	Mach & Equip	FINISH WASHING MACHINE	122,240
RA30A	22RA38VWF308M	17004	3004401	128653	08	13-02	Mach & Equip	FINISH WASHING MACHINE	108,670
RA20A	22RA20AHF320	16965	3004401	131656	08	13-02	Mach & Equip	INNER RING AUTO SUPPLY MACHINE	55,782
RA30A	22RA38HF320	17001	3004401	130770	08	13-02	Mach & Equip	INNER RING AUTO SUPPLY MACHINE	54,427
RG30A	22RG38HHM323B	16982	3004401	131650	08	13-02	Mach & Equip	INNER RING AUTO SUPPLY MACHINE	66,932
RG40A	22RG38HHM323B	16975	3004401	131650	08	13-02	Mach & Equip	INNER RING BORE GRINDING MACHINE	66,748
RG50A	22RG38HHM323B	17015	3004401	125256	08	13-02	Mach & Equip	INNER RING BORE GRINDING MACHINE	295,589
RG30A	22RG38LG821T	16976	3004401	128950	08	13-02	Mach & Equip	INNER RING BORE GRINDING MACHINE	313,200
RG40A	22RG48LG821T	16987	3004401	128008	08	13-02	Mach & Equip	INNER RING BORE GRINDING MACHINE	396,206
RG50A	22RG58LG821T	17033	3004401	130784	08	13-02	Mach & Equip	INNER RING CARRIER	237,463
RG30A	22RG38HF320	16981	3004401	131651	08	13-02	Mach & Equip	INNER RING CARRIER	227,695
RG40A	22RG48HF320	16981	3004401	128006	08	13-02	Mach & Equip	INNER RING CARRIER	238,890
RG50A	22RG58HF320	17014	3004401	125255	08	13-02	Mach & Equip	INNER RING CARRIER	285,101
RG30A	22RG38LG821T	16977	3004401	128004	08	13-02	Mach & Equip	INNER RING RACEWAY GRINDING MACHINE	292,808
RG40A	22RG48LG821T	16988	3004401	128662	08	13-02	Mach & Equip	INNER RING RACEWAY GRINDING MACHINE	297,437
RG50A	22RG58LG821T	17016	3004401	128024	08	13-02	Mach & Equip	INNER RING RACEWAY GRINDING MACHINE	381,404
RG30A	22RG38AN1108NC	16979	3004401	130768	08	13-02	Mach & Equip	INNER RING RACEWAY SUPERFINISH MACHINE	358,528
RG40A	22RG48AN1108NC	16990	3004401	130769	08	13-02	Mach & Equip	INNER RING RACEWAY SUPERFINISH MACHINE	393,177
RG50A	22RG58AN1108NC	17019	3004401	127053	08	13-02	Mach & Equip	INNER RING RACEWAY SUPERFINISH MACHINE	268,135
RG30A	22RG38LG821T	16978	3004401	128005	08	13-02	Mach & Equip	INNER RING RIB GRINDING MACHINE	269,571
RG40A	22RG48LG821T	16989	3004401	128009	08	13-02	Mach & Equip	INNER RING RIB GRINDING MACHINE	275,255
RG50A	22RG58LG821T	17017	3004401	125257	08	13-02	Mach & Equip	INNER RING STOCKER	65,091
RG30A	22RG38HA321	16980	3004401	127035	08	13-02	Mach & Equip	INNER RING STOCKER	60,988
RG40A	22RG48HA321	16992	3004401	127036	08	13-02	Mach & Equip	INNER RING STOCKER	64,913
RG50A	22RG58HA321	17013	3004401	131661	08	13-02	Mach & Equip	LAZER MARKER	187,752
RA2A	22RA24ZNL331BM	16955	3004401	130775	08	13-02	Mach & Equip	LAZER MARKER	185,023
RA20A	22RA28ZNL331BM	16957	3004401	128966	08	13-02	Mach & Equip	MANUAL NOISE TESTER	80,707
RA30A	22RA38ZNL331BM	17007	3004401	126147	08	13-02	Mach & Equip	MANUAL NOISE TESTER	62,042
RA20A	22RA28MS311M	16964	3004401	126147	08	13-02	Mach & Equip	OUTER RING AUTO SUPPLY MACHINE	54,369
RA30A	22RA38MS311M	17006	3004401	127038	08	13-02	Mach & Equip	OUTER RING AUTO SUPPLY MACHINE	71,686
RA2A	22RA2AHF320	16951	3004401	131653	08	13-02	Mach & Equip	OUTER RING AUTO SUPPLY MACHINE	76,509
RG3A	22RG3AHHM323A	16972	3004401	131649	08	13-02	Mach & Equip	OUTER RING CARRIER	67,588
RG4A	22RG4AHHM323A	16968	3004401	127043	08	13-02	Mach & Equip	OUTER RING CARRIER	182,727
RG5A	22RG5AHHM323A	17008	3004401	126154	08	13-02	Mach & Equip	OUTER RING CARRIER	179,698
RG3A	22RG3AHBA320	16973	3004401	126135	08	13-02	Mach & Equip	OUTER RING RACEWAY GRINDING MACHINE	189,646
RG4A	22RG4AHBA320	16985	3004401	126140	08	13-02	Mach & Equip	OUTER RING RACEWAY GRINDING MACHINE	338,340
RG5A	22RG5AHBA320	17010	3004401	126156	08	13-02	Mach & Equip	OUTER RING RACEWAY GRINDING MACHINE	388,921
RG3A	22RG3ATGA1171T	16974	3004401	129861	08	13-02	Mach & Equip	OUTER RING RACEWAY SUPERFINISH MACHINE	338,406
RG4A	22RG4ATGA1171T	16986	3004401	130773	08	13-02	Mach & Equip	OUTER RING RACEWAY SUPERFINISH MACHINE	338,242
RG5A	22RG5ATGA1171T	17011	3004401	129879	08	13-02	Mach & Equip	OUTER RING RACEWAY SUPERFINISH MACHINE	318,138
RG3A	22RG3AN110ANC	16971	3004401	126148	08	13-02	Mach & Equip	OUTER RING STOCKER	347,601
RG4A	22RG4AN110ANC	16984	3004401	127039	08	13-02	Mach & Equip	OUTER RING STOCKER	25,167
RG5A	22RG5AN110ANC	17012	3004401	129880	08	13-02	Mach & Equip	OUTER RING STOCKER	142,039
RG3A	22RG3AHBA320	17009	3004401	128957	08	13-02	Mach & Equip	OUTER RING STOCKER	142,039
22C2A	22C2ASR015	16949	3004472	127041	08	13-02	Mach & Equip	OUTER RING STOCKER	25,167
22C2A	22C2AY05	16950	3004472	128012	08	13-02	Mach & Equip	OUTER RING STOCKER	25,167
220G1	220HP0110200	16921	3004472	128012	08	13-02	Mach & Equip	OUTER RING STOCKER	25,167
220G1	220HP0110201	16922	3003050	127024	08	13-02	Mach & Equip	OUTER RING STOCKER	25,167
RA30A	22RA38AAH320	17002	3004401	125232	08	13-02	Mach & Equip	OUTER RING STOCKER	25,167
RG3A	22RG3AHBA320	16970	3004401	126138	08	13-02	Mach & Equip	OUTER RING STOCKER	25,167
RG4A	22RG4AHBA320	16983	3004401	126139	08	13-02	Mach & Equip	OUTER RING STOCKER	25,167
RA2A	22RA24VWF320	16952	3004401	131654	08	13-02	Mach & Equip	OUTER RING STOCKER	25,167
RA30A	22RA38VWF320	16958	3004401	127042	08	13-02	Mach & Equip	OUTER RING STOCKER	25,167
RA30A	22RA38VWF320	16956	3004401	128014	08	13-02	Mach & Equip	OUTER RING STOCKER	25,167

Legacy Dept No.	Legacy Asset No.	Legacy System No.	New Cost Center No.	New Asset No.	Class	Resolution #	Asset Classification	Description	Acq Value	
									<u>11,224,786.31</u>	Presently Installed
									60,627.00	Previously Disposed
									<u>11,285,413.31</u>	Total Installed for 13-02