



CITY OF FRANKLIN

Community Development Department

Memorandum

To: City of Franklin Economic Development Commission
From: Dana Monson, Community Development Department
Date: April 14, 2020
Re: Case C 2020-26: NSK Precision America

Summary:

- On July 15th, 2013, the Franklin Common Council passed Resolution No. 2013-18, approving a 10-year tax abatement with a 5% economic development fee on personal property for NSK Precision America, located at 3450 Bearing Drive.
- Actual and estimated benefits, as projected for 2019:

	Estimated on SB-1	Actual in 2019	Difference
Employees Retained	135	135	0
Salaries	\$8,960,000	\$8,960,000	\$0
New Employees	26	36	10
Salaries	\$970,000	\$2,175,300	\$1,205,300
Total Employees	161	171	10
Total Salaries	\$9,930,000	\$10,332,675	\$402,675
Average Hourly Salaries	\$29.65	\$29.05	-\$0.60
Personal Property Improvements	\$10,200,000	\$11,232,578	\$1,032,578

- The company indicated on their original application that \$2,500,000 in equipment would be purchased in 2013; \$2,600,000 in 2014; \$4,100,000 in 2015; and \$1,000,000 in 2016. The company was on schedule to their estimate provided on the SB-1 Form for personal property investment in 2013 and 2014. The cost of equipment purchased in 2015 was \$1,665,258, which was off schedule by \$2,434,742. NSK has exceeded SB-1 estimate for personal property improvements.
- The company was 3 employees short of what they estimated their employee count to be, and lower on their estimated average hourly salaries in 2013. They greatly improved in their number of employees and average hourly salaries in 2014. They exceeded the number of estimated employees in 2015, but the average hourly salary is \$2.74 per hour under the SB-1 estimate. In 2016 NSK was down 11 employees, and they were \$1.65 per hour lower than the estimate. In 2017 NSK exceeded estimated number of employees and total salaries.
- The completion date approved on their SB-1 Form was March 31, 2016. The personal property tax abatement is scheduled to expire in tax year 2025 payable 2026. Their last year for compliance review will be 2026.

Staff Recommendation: Approval

NSK Precision America, Inc
3450 Bearing Dr
Franklin, IN 46131

April 7th, 2020

Mrs. Dana Monson, Community Development Specialist
Dept. of Planning & Economic Development
70 E. Monroe Street
Franklin, IN 46131

Re: Tax Abatement Compliance for NSK Precision America, Inc

Dear Mrs. Monson:

Enclosed please find Form CF-1 (Compliance with Statement of Benefits) regarding compliance with the real and personal property tax abatements which were granted to NSK Precision America, Inc in 2013 under Franklin Common Council Resolution No. 13-18.

As detailed in the enclosed documents for Resolution 13-18, NPA has been successful in making all of the capital investments and creating the full complement of jobs projected under Resolution 13-18.

Please review the enclosed documents, and if you have any questions or concerns regarding this matter, please feel free to contact me.

Sincerely,



Timothy Ferraro
Advantax
630-444-2777

Enclosures



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 Precision America, Inc		County Johnson						
Address of taxpayer (number and street, city, state, and ZIP code) PO 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 13-18	Estimated start date (month, day, year) 07/01/2013					
Location of property 3450 Bearing Drive, Franklin, IN 46131 <i>41-05-34-042-005-003-009</i>			Actual start date (month, day, year) 07/01/2013					
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired. Machinery reconstruction and replacement to increase output and maintain quality, creation of existing space for additional production to supply increased demand overseas			Estimated completion date (month, day, year) 03/31/2016					
			Actual completion date (month, day, year) 08/16/2018					
SECTION 3		EMPLOYEES AND SALARIES						
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL					
Current number of employees		135	171					
Salaries		8,960,000.00	10,332,675.00					
Number of employees retained								
Salaries								
Number of additional employees		26	36					
Salaries		970,000.00	1,372,675.00					
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	29,498,000.00	8,637,000.00						
Plus: Values of proposed project	10,200,000.00	3,060,000.00						
Less: Values of any property being replaced	5,000,000.00	1,500,000.00						
Net values upon completion of project	34,698,000.00	10,197,000.00						
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	29,498,000.00	8,637,000.00						
Plus: Values of proposed project	11,232,578.00	3,369,773.00						
Less: Values of any property being replaced	1,017,620.00	305,286.00						
Net values upon completion of project	39,712,958.00	11,701,487.00						
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>[Signature]</i>		Title Tax Agent	Date signed (month, day, year) 4-7-2020					

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 County 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 and whether any failure to substantially comply was caused by factors beyond the control of the property owner.
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 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

Date signed (month, day, year)

Attested by:

Designating body

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 clerk of 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.

NSK Precision America, Inc.
Resolution 13-18 Asset Listing
As of 1/1/20

Legacy Dept No.	Legacy Asset No.	Legacy System No.	New Cost Center No.	New Asset No.	Class	Tax Year	Abatement	Classification	Description	Acq Value
23100	P1428	18322	8350005	132345	08	2016	13-18	M&E-General	Moo Water Reclamation	37,800.00
23100	P1508	18461	8350005	132562	08	2017	13-18	M&E-General	Precrusher Compactine Svstem for B4	40,125.00
23100	P1512	18465	8350005	132341	08	2017	13-18	M&E-General	Buss Replacement	29,575.00
232M1	P1439	18320	3001150	132566	08	2016	13-18	M&E-General	Haas Vertical Machine Center VF-2YT	84,946.60
23500	23000E4402	17665	8450005	132477	08	2014	13-18	M&E-General	MM920-B5 2M LEAD MEASURING MACHINE	129,089.50
23500	23000O009709	18230	8450005	132698	08	2016	13-18	M&E-General	Mitutovo Gaug Block Replacements	61,191.26
23500	P1417	18296	8450005	132330	08	2016	13-18	M&E-General	Mitutovo CMM with Scanning Probe	122,522.16
235A1	23000E4412	17643	3004450	132786	08	2014	13-18	M&E-General	Laree Line Assembly QA Improvements	77,938.66
235A1	23000E4413	17642	3004450	132620	08	2014	13-18	M&E-General	Bad Feeline Detection	94,888.00
235A1	23000E4425	17409	3004450	132785	08	2013	13-18	M&E-General	Uoerad Carts and Vacuum Svstem	104,117.58
235A1	23000E4426	17408	3004450	132932	08	2013	13-18	M&E-General	Uoerade Cleanine Equioment	87,465.64
235A1	23000O008111	17549	3004450	132409	08	2014	13-18	M&E-General	Imoroved Assembly Ball Screw Build Fixture	106,130.01
235A1	23000O009707	18224	3004450	132697	08	2016	13-18	M&E-General	Bander #1	10,832.75
235A1	23000O009708	18225	3004450	132927	08	2016	13-18	M&E-General	Bander #2	10,832.75
235A1	C30215-1	18222	3004450	132925	08	2016	13-18	M&E-General	Vacuum Sealer #1	10,832.75
235A1	C30215-2	18223	3004450	132926	08	2016	13-18	M&E-General	Vacuum Sealer #2	10,832.75
235A1	P1436	18295	3004450	132557	08	2016	13-18	M&E-General	Hanel Lean Lift	99,950.00
235A1	TBD3	17757	3004450	132411	08	2014	13-18	M&E-General	ASEMBLY QUALITY UPGRADE CART	59,214.79
235A9	P1501a	18751	3004450	132792	08	2017	13-18	M&E-General	M9 Line #1	28,790.00
235G1	14121837	18227	3005050	132404	08	2016	13-18	M&E-General	Shafter and Nut Part Markine #1	9,314.90
235G1	14121838	18228	3005050	132328	08	2016	13-18	M&E-General	Shafter and Nut Part Markine #2	9,314.90
235G1	23	17364	3005050	132545	08	2013	13-18	M&E-General	SHIGIYA GN30B150SDD Retrofit	272,252.04
235G1	23000E4309	17405	3005050	132618	08	2013	13-18	M&E-General	Shielva Nut OD Reolacement	305,822.75
235G1	23000E4401	17663	3005050	132333	08	2014	13-18	M&E-General	2M SWAP MACHINE GSE-200A	556,447.53
235G1	23000E4406	17897	3005050	132246	08	2015	13-18	M&E-General	STG N MACHINE RETROFIT	542,959.00
235G1	23000E4407	17898	3005050	132558	08	2015	13-18	M&E-General	NTG G MACHINE RETROFIT	543,912.45
235G1	23000E4410	17645	3005050	132787	08	2014	13-18	M&E-General	NTG GSN-1801N Machine	584,228.78
235G1	23000E4427	17407	3005050	132702	08	2013	13-18	M&E-General	MM930N-BC Nut/Shaft Insoection Machine	35,418.00
235G1	235G1E4416	17826	3005050	132479	08	2015	13-18	M&E-General	SHAFT THRD GRIND WAVE INS BNCH	63,874.32
235G1	P1403	18194	3005050	132408	13	2016	13-18	Tooline	NTG Tilt Soindles IQtv 31	23,144.24
235G1	P1403-1	18455	3005050	132793	08	2017	13-18	M&E-General	NTG GSN-1801N H Retrofit	491,042.40
235G1	P1414-1	18460	3005050	132794	08	2017	13-18	M&E-General	STG BG-921185 P Retrofit Serial:MG56961	595,461.48
235G1	TBD1	17755	3005050	132623	08	2014	13-18	M&E-General	NPA AUTOGRINDER GN30B SPINDLE	35,200.00
235G1	TBD2	17756	3005050	132478	08	2014	13-18	M&E-General	SHAFT THREAD GRIND QUALITY	73,326.73
235G2	300151412	18231	3004750	132245	08	2016	13-18	M&E-General	Mitutovo LRM #1	33,458.50
235G2	300161412	18218	3004750	132554	08	2016	13-18	M&E-General	Mitutovo LRM #2	32,534.00
235G2	P1501b	18752	3004750	132483	08	2017	13-18	M&E-General	M9 Line #2	250,000.00
235G9	P1501c	18753	3004950	132484	08	2017	13-18	M&E-General	M9 Line #3	967,000.00
235H1	23000E4404	17664	3000850	132621	08	2014	13-18	M&E-General	Automatic Microvickers Test Equioment	49,916.50
235H1	3649	18226	3000850	132403	08	2016	13-18	M&E-General	SS1000 Grinder/Polisher for HTQ	12,390.61
235M1	23000E4310	17406	3001150	132701	08	2013	13-18	M&E-General	Mazak Interrex Machine Reolacement	421,531.90
235M1	23000E4411	17644	3001150	132560	08	2014	13-18	M&E-General	L3/4 LH35-3000 Retrofit Machine	297,009.00
235M1	23000E4418	17899	3001150	132616	08	2015	13-18	M&E-General	FLANGE MILLING REPLACEMENT	292,752.31
235M1	23000E4419	17901	3001150	132617	08	2015	13-18	M&E-General	BALL CIRCUIT REPLACEMENT	345,782.33
235M1	23000E4420	17900	3001150	132699	08	2015	13-18	M&E-General	L1/SC MACHINE REPLACEMENT	428,327.21
235M1	E4405	17804	3001150	132412	08	2015	13-18	M&E-General	20" EVERETT WET ABRASIVE PH OSCILLATION CUT OFF MACHINE	5,809.81
235M1	P1405	18193	3001150	132407	08	2016	13-18	M&E-General	Mazak Interrex i200	398,598.00
235M1	P1504	18710	3001150	132336	08	2017	13-18	M&E-General	Interrex i-200 #2	393,914.94
235M1	P1511	18462	3001150	132628	08	2017	13-18	Tooline	Shaft Turnine Collet Reolacement	36,297.00
235M2	235M2E4408	17823	3004702	132705	08	2015	13-18	M&E-General	NAKAMURA TOME AS2000MY MACH CTR	266,985.69
235M3	P1404	18294	3002850	132329	08	2016	13-18	M&E-General	Okuma MB-56VA	256,378.20
235M9	P1501d	18754	3004950	132627	08	2017	13-18	M&E-General	M9 Line #4	402,200.00
235R1	235R1E4415	17825	3004901	132624	08	2015	13-18	M&E-General	NPA BS STEEL CUT SAW REPLC	63,390.00
235R9	P1501e	18755	3000850	132485	08	2017	13-18	M&E-General	M9 Line #5	25,799.00
235T9	P1501f	18756	9000005	132250	08	2017	13-18	M&E-General	M9 Line #6	500,000.17
23600	P1438	18321	3004450	132344	08	2016	13-18	M&E-General	DS-3200 4-Channel FFT Analyzer	23,371.00
236A1	23000E4403	17666	3002950	132622	08	2014	13-18	M&E-General	LASER MARKING SYSTEM	41,000.00
236R1	236R1E4409	17824	8100005	132706	08	2015	13-18	M&E-General	LINEAR GUIDE RAIL CUT SAW	109,500.00
23760	15-723107	18229	8100005	132556	08	2016	13-18	M&E-General	Air Compressor Cooline Tower	22,553.00
23760	P1427	18219	8100005	132555	08	2016	13-18	M&E-General	3 Machines Cratine, Rieeline, and Shlopine to Janan	91,806.50
23760	P1435	18722	8100005	132482	08	2017	13-18	M&E-General	JobPack	85,077.85
3F731	A8575 1	18221	8550025	132614	08	2016	13-18	M&E-General	Vistamation Raw Steel Rackline	30,400.79

1.1 232,578.03