



CITY OF FRANKLIN

DEPARTMENT OF PLANNING & ECONOMIC DEVELOPMENT

Memorandum

To: City of Franklin Economic Development Commission
From: Krista Linke, Director of Planning & Economic Development
Date: April 2, 2012
Re: Case C 2012-34: NSK Corporation

Summary:

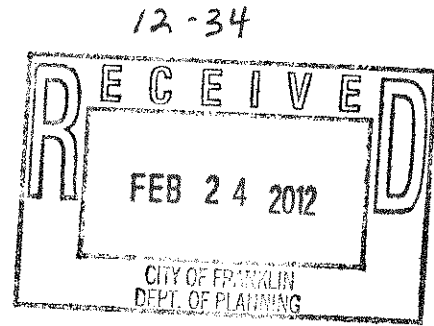
1. On October 18th, 2010, the Franklin Common Council passed Resolution No. 2010-19, approving a 10-year tax abatement with a 5% economic development fee on personal property for NSK Corporation located at 3400 Bearing Drive.
2. Actual and estimated benefits, as projected for 2011:

	Estimated on SB-1	Actual in 2011	Difference
Current Number of Employees	204	249	0
Salaries	\$11,630,000	\$14,250,952	\$2,620,952
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	281	45
Total Salaries	\$12,766,000	\$15,386,952	\$2,620,952
Average Hourly Salaries	\$26.01	\$26.33	\$0.32
Personal Property Improvements	\$9,440,000	\$11,129,000	\$1,689,000

3. This is the first year for reporting on this tax abatement.
4. The company has exceeded their estimate provided on the SB-1 Form for personal property investment.
5. They have 45 more employees than estimated on their SB-1 Form. Their estimated average hourly wage is slightly higher than estimated.
6. 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

NSK Corporation
3400 Bearing Drive
Franklin, IN 46131



February 22, 2012

Ms. Krista Linke
Director of Planning & Economic Development
44 North Jackson St.
Franklin, IN 46131

Re: Tax Abatement Compliance for NSK Corporation

Dear Ms. Linke:

Enclosed please find Form CF-1 (Compliance with Statement of Benefits) regarding compliance with the personal property tax abatements which were granted to NSK Corporation in 2010 under Franklin Common Council Resolution No. 10-19.

As can be seen from reviewing the enclosed documents, our company has successfully completed (a) making all the capital investment which had been projected and (b) created the full complement of jobs which had been proposed in the Statement of Benefits (Form SB-1).

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

Sincerely,



Joe Stark
Accounting Manager
NSK Corporation

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) P.O. Box 134007 Ann Arbor, MI 48113-4007									
Name of contact person Robert Wozniak							Telephone number (734) 913-7659		
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY									
Name of designating body Franklin City Common Council							Resolution number 10-18		
Location of property 3400 Bearing Drive Franklin, IN 46131					County Johnson		DLGF taxing district number		
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 to produce Taper Roller Bearings							Estimated starting date (month, day, year) 11-1-10		
							Estimated completion date (month, day, year) 7-31-12		
SECTION 3 EMPLOYEES AND SALARIES									
EMPLOYEES AND SALARIES						AS ESTIMATED ON SB-1		ACTUAL	
Current number of employees						204		249	
Salaries						11,603,000		14,250,952	
Number of employees retained						8		8	
Salaries						276,000		276,000	
Number of additional employees						24		24	
Salaries						860,000		860,000	
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	19,885,000						
Plus: Values of proposed project		9,449,000	3,831,000						
Less: Values of any property being replaced									
Net values upon completion of project		101,149,000	22,717,000						
ACTUAL		COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project		91,700,000	19,885,000						
Plus: Values of proposed project		11,129,000	3,339,000						
Less: Values of any property being replaced									
Net values upon completion of project		102,829,000	23,224,000						
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 Accounting Manager		Date signed (month, day, year) 2-2-12		

Ledger Acc./			
Dimension	Sub	Dimension Description	Closing Balance
12170020	CONSTRUCTION IN PROGRESS-New		
H11029		TAPER ROLLER BEARING EXPANSION	\$ 7,263,870
H11103		TRB G2 WINNER ASSY FOR CATII	\$ 3,865,028
	Total	for Ledger A/c:(12170020)	\$ 11,128,898