

CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Memorandum

To: City of Franklin Economic Development Commission

From: Krista Linke, Community Development Director

Date: April 2, 2013

Re: Case C 2013-35: NSK Corporation

Summary:

1. On August 22nd, 2005, the Franklin Common Council passed Resolution No. 2005-18, approving a 7-year tax abatement on personal property for NSK Corporation located at 3400 Bearing Drive.
2. Actual and estimated benefits, as projected for 2012:

	Estimated on SB-1	Actual in 2012	Difference
Current Number of Employees	250	260	0
Salaries	\$12,700,000	\$16,650,018	\$3,950,018
Employees Retained	23	23	0
Salaries	\$900,000	\$900,000	\$0
New Employees	9	9	0
Salaries	\$306,000	\$306,000	\$0
Total Employees	282	292	10
Total Salaries	\$13,906,000	\$17,856,018	\$3,950,018
Average Hourly Salaries	\$23.71	\$29.40	\$5.69
Personal Property Improvements	\$6,600,000	\$6,832,809	\$232,809

3. The total number of employees reported in 2011 was 281 with \$15,456,952 in total salaries and \$26.45 average hourly salaries. The total number of employees has increased in 2012 as well as the average hourly salary.
4. The company has exceeded their estimate provided on the SB-1 Form for personal property investment.
5. The personal property tax abatement is scheduled to expire in tax year 2013 payable 2014. The final compliance review will take place in 2014.

Staff Recommendation:

Approval



COMPLIANCE WITH STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51765 (R / 1-08)

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).

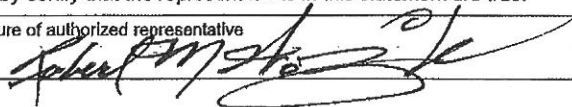
SECTION 1 TAXPAYER INFORMATION	
Name of taxpayer NSK CORPORATION	
Address of taxpayer (number and street, city, state, and ZIP code) PO BOX 134007, ANN ARBOR, MI 48113-4007	
Name of contact person ROBERT WOZNAK	Telephone number (734) 913-7589
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY	
Name of designating body FRANKLIN CITY COMMON COUNCIL	Resolution number 05-18
Location of property 3400 BEARING DRIVE, FRANKLIN, IN 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.	Estimated starting date (month, day, year) 08/01/2005 Estimated completion date (month, day, year) 03/31/2006

SECTION 3 EMPLOYEES AND SALARIES		
EMPLOYEES AND SALARIES	AS ESTIMATED ON SB-1	ACTUAL
Current number of employees	250.00	260
Salaries	12,700,000.00	16,650,018.00
Number of employees retained	23.00	23
Salaries	900,000.00	900,000.00
Number of additional employees	9.00	9
Salaries	306,000.00	306,000.00

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	82,144,055.00	19,071,000.00						
Plus: Values of proposed project	6,600,000.00	1,980,000.00						
Less: Values of any property being replaced								
Net values upon completion of project	88,744,055.00	21,051,000.00						
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project	82,144,055.00	19,071,000.00						
Plus: Values of proposed project	6,832,809.00	2,049,843.00						
Less: Values of any property being replaced								
Net values upon completion of project	88,976,864.00	21,120,843.00						

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		
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 TAX MANAGER	Date signed (month, day, year) 3/04/2013