

AGENDA RESERVATION REQUEST

CITY OF FRANKLIN COMMON COUNCIL

Please type or print

Date Submitted:	July 10, 2013	Meeting Date:	July 15, 2013
Contact Information:			
Requested by:	Krista Linke		
On Behalf of Organization or Individual: NSK Precision America, Inc.			
Telephone:	317-736-3631		
Email address:	klinke@franklin.in.gov		
Mailing Address:	70 E. Monroe St., Franklin, IN 46131		
Describe Request:			
EDC 2013-07: NSK Precision America, Inc.			
A request for a 10-year tax abatement on \$10,200,000 of personal property investment.			
ERA Designation			
List Supporting Documentation Provided:			
Memo from Krista Linke			
Minutes from the July 9, 2013 EDC meeting			
Case EDC 2013-07 Staff Report			
Resolution 2013-18 (July 15 meeting)			
Resolution 2013-19 (August 5 meeting: public hearing)			
Who will present the request?			
Name:	Krista Linke, Community Development Director Jeremy Peters, NSK Precision America, Inc.	Telephone:	317-736-3631

The Franklin City Council meets on the 1st and 3rd Monday of each month at 6:30 p.m. in the Council Chambers of City Hall located at 70 E. Monroe Street. In order for an individual and/or agency to be considered for new business on the agenda, this reservation form and supporting documents must be received in the Mayor's office no later than 12:00 p.m. on the Wednesday before the meeting.



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Memorandum

To: City Council

From: Krista Linke, Director

Date: July 10th, 2013

Re: Personal Property Tax Abatement Request – NSK Precision America, Inc.

The City of Franklin Economic Development Commission (EDC) reviewed and acted on a personal property tax abatement request from NSK Precision America, Inc., at a meeting held on July 9th, 2013. The board voted 4-1 to forward a favorable recommendation to the City Council for a ten year tax abatement including a 5% Economic Development Fee.

The property has not been designated an Economic Revitalization Area. Therefore, two resolutions and two meetings are needed.

Attached to this memo are:

1. Resolution 2013-18
2. Exhibit "A" – Legal Description
3. Exhibit "B" - Form SB-1 Personal Property
4. Resolution 2013-19 (Confirming Resolution 2013-18)
5. Case EDC 2013-07 Staff Report
6. Application and requested forms
7. Sample Tax Phase-In Savings Schedules

If you have any questions regarding this request please contact me directly at 346-1250.



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

MINUTES

ECONOMIC DEVELOPMENT COMMISSION

July 9, 2013

Members Present:

John Ditmars
H. Lee Hodgen
Tony Wellings
Ken Austin
Jake Sappenfield

President
Vice-President
Secretary
Member
Member

Others Present:

Rob H. Schafstall
Krista Linke
Jaime Shilts

Legal Counsel
Director of Community Development
Recording Secretary

Call to Order:

John Ditmars called the meeting to order at 8:00 a.m.

Approval of Minutes:

Ken Austin made a motion to approve the June 11, 2013 minutes as presented. Tony Wellings seconded the motion. The motion carried.

Old Business:

EDC 2013-06: Nitrex Inc.:

Mr. Ditmars stated that the ERA designation has been taken care of at the last meeting. Michael Rodman, Business Manager for Nitrex, stated that he appeared last time for a continuation of the abatement. They are expanding and will be spending \$2.9 million in 2014. They plan for 14 additional employees and have added 4 since the last EDC meeting. They will be purchasing new ovens and furnaces. Mr. Rodman stated they would like to amend the abatement granted in 2011. Ms. Linke agreed this would be a less complicated way to track the abatement during yearly compliance reports, versus granting a new abatement for the additional investment amount. Mr. Ditmars stated that they need to decide if they want to do 10 or 7 years. There were two votes in favor of amending the abatement for 10 years and one against, at last month's meeting. Mr. Schafstall stated if they stay at 10 years, they can add on to the current abatement. If the term is different, the EDC should consider a new abatement for the additional amount.

Ken Austin made a motion to modify the 10 year abatement from 2011, Case EDC 2011-01, for \$6.3 million with 12 new jobs and retaining 25. The resolution number will be EDC 2013-06 for \$6.3 million for a ten year abatement.

Tony Wellings seconded the motion. Jake Sappenfield-yes, Lee Hodgen-yes, Tony Wellings-yes, Ken Austin-yes, John Ditmars-no. The motion carried 4-1.

The City Council meeting for the new resolution will be July 15th.

EDC 2013-07: NSK Precision America, Inc.:

Jeremy Peters, NSK Precision Plant Manager, stated their plan is to spend \$10.2 million for expansion to prevent outsourcing and to replace aging equipment. They will add 28 additional jobs. The request is for a 10 year abatement on personal property. They are agreeable to the 5% Economic Development Fee. Mr. Wellings stated they have already paid out \$4,500 in economic development fees this year.

Tony Wellings made a motion to approve a 10 year tax abatement on \$10.2 million on personal property. Jake Sappenfield seconded the motion. Jake Sappenfield-yes, Lee Hodgen-yes, Tony Wellings-yes, Ken Austin-yes, John Ditmars-no. The motion carried 4-1.

EDC 2013-08: NSK Corporation:

Kyle Steins, NSK Corporation, stated they are requesting a 10 year abatement on \$20 million. They are expanding the business capacity and moving manual operations to automatic operations. They will be converting 18 temporary jobs to full time positions. It does include a 5% economic development fee.

Tony Wellings made a motion to approve a 10 tax abatement on \$20 million of personal property. Lee Hodgen seconded the motion. Jake Sappenfield seconded the motion.

Jake Sappenfield-yes, Lee Hodgen-yes, Tony Wellings-yes, Ken Austin-yes, John Ditmars-no. The motion carried 4-1.

New Business:

EDC 2013-09: Rexam Waiver of Non-Compliance:

Ms. Linke stated that she was contacted by Thomas Sislow, representing Rexam. He explained that when their abatement was granted in 2010, amended 2012, they didn't request their tax abatement on their most recent tax returns. The county will not amend the returns without a waiver of noncompliance from the city. The original amount was \$14.5 million for manufacturing equipment. In 2012 they increased the equipment amount to \$17,797,000 through Resolution 12-08. They are requesting that they be allowed to file amended returns.

Ken Austin made a motion in favor of a waiver of non-compliance. Jake Sappenfield seconded the motion. The motion carried 5-0.

Other Business:

Ms. Linke stated there were a number of businesses that have not paid their economic development fees. She provided a list of the business for the commission. They requested that she follow up with the businesses listed that have not paid and report back.

Adjournment:

There being no further business, the meeting was adjourned. Respectfully submitted this 13th day of August, 2013.

John Ditmars, President

Tony Wellings, Secretary



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Staff Report

To: Economic Development Commission Members
From: Krista Linke, Director
Date: June 6, 2013
Re: Case EDC 2013-07 – NSK Precision America, Inc.

Case EDC 2013-07 – NSK Precision America, Inc.: A request for a 10-year tax abatement on \$10,200,000 of personal property investment.

Location: 3450 Bearing Drive

Summary:

1. Characteristics of this location:
Existing Location – 3450 Bearing Drive
2. Characteristics of this petitioner:
NSK Precision America (NPA) started operations in 1993. They manufacture: OEM and Standard Series precision ball screws, OEM and Inter-changeable linear guides units, custom assemblies (robot modules and integrated systems), and ball screw repair service at the Franklin facility.
3. Characteristics of this project:
The proposed project involves machinery reconstruction and replacement to increase output and maintain quality. Existing space will be converted to additional production, which will support overseas demand of linear and ball screw products. This \$10.2 million investment, by the 4th quarter of 2015, will create 28 additional jobs.
4. Economic Revitalization Area (ERA):
This property was designated an ERA by Resolution 2004-02 and confirmed by Resolution 2004-03, but it expired in 2011. It needs to be declared an Economic Revitalization Area.
5. ERA & Tax Abatements Findings (Personal Property):
Indiana Code Section 6-1.1-12.1-4.5 states that the following findings must be made when considering an ERA designation and the granting of tax abatement for personal property:
 - a. Whether the estimate of the cost of new manufacturing equipment is reasonable for equipment of that type;
 - b. Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the instillation of new manufacturing equipment;

- c. Whether the estimate of annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new manufacturing equipment;
- d. Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the installation of the new manufacturing equipment; and
- e. Whether the totality of the benefits is sufficient to justify the tax abatement.

6. City of Franklin "Tax Abatement Policy" criteria:

The "Tax Abatement Policy" section of the *City of Franklin Community Investment Incentives Summary* states that the Economic Development Commission shall use certain criteria when considering a request for tax abatement. A comparison of those criteria and the proposed request follows:

- a. *Diversification of Local Occupations:* In 2012, 10.8% of all jobs in Johnson County were in the manufacturing sector. There were 4,641 manufacturing employees in Johnson County and 212 of them were machine shop, turned product, and screw, nut and bolt manufacturing employees. NSK Precision America will retain 135 employees and add 28 new employees.
- b. *Diversification of Local Manufacturing Employment:* According to the U.S. Census Bureau, 2011 County Business Patterns, turned product manufacturing makes up 4.6% of the manufacturing jobs in Johnson County. According to the United States Census Bureau, there were 130 manufacturing establishments in Johnson County in 2011, and only 2 of them were precision turned product manufacturing establishments.
- c. *Increase in Local Salaries:* The average wage for all industries in Johnson County for the first quarter of 2011 was \$14.98. The average hourly wage in Johnson County for manufacturing in the first quarter of 2011 was \$24.00 per hour. The average hourly wage (without benefits) for the 28 new jobs with NSK is \$16.65 (\$970,000 divided by 28 jobs, divided by 52 weeks, divided by 40 hours per week). The average hourly wage for the 219 jobs being retained is \$31.91 (\$8,960,000 divided by 135 jobs, divided by 52 weeks, divided by 40 hours per week).
- d. *Sustainable Land Use:* The petitioner proposes to make this investment at their current location.
- e. *Future Community Investment:* The Company has indicated on their applications that they are agreeable to a 5% Economic Development Fee on Personal Property.
- f. *Conformance with the Comprehensive Plan:* The Comprehensive Plan - Future Land Use Plan identifies this property as Manufacturing. Manufacturing areas are intended to accommodate large scale businesses that produce finished products from raw materials. Uses in these areas may include product manufacturers as well as any related warehousing and offices. Manufacturing areas may include facilities that involve emissions or the outdoor storage of materials and finished products. These two factors are the primary distinction between manufacturing areas and light industrial areas.

The property is zoned IG, Industrial: General. The "IG," Industrial: General zoning district is intended to provide locations for general industrial manufacturing, production, assembly, warehousing, research and development facilities, and similar land uses. This district is intended to accommodate a variety of industrial uses in locations and under conditions that minimize

land use conflicts. This district should be used to support industrial retention and expansion in Franklin.

7. Tax Abatement Duration:

The *City of Franklin Community Investment Incentives Summary* provides that longer periods of abatement on real and personal property may be considered for requests of an exceptional nature. The Summary states that development examples of an exceptional nature include projects which:

- a. Create a new plant or product line for an existing manufacturer;
- b. Creates substantial employment opportunities with higher than average wages;
- c. Increase substantially property values and the city tax base with minimal impact to city services (police & fire protection, schools, utilities, infrastructure, etc.); and
- d. Utilize existing public infrastructure (sanitary & storm sewer, roads & streets, drainage facilities, and other utilities).

8. Tax Abatement Worksheet:

A copy of the Tax Abatement Worksheet from the *City of Franklin Community Investment Incentives Summary* is enclosed with the staff report. This document is recommended as an outline for considering and documenting these tax abatement requests for this meeting.

9. Requested Effective Year:

The petitioner has requested that, if approved, the tax abatement be effective for the tax year 2014, payable 2015.

Staff Comments:

Making use of an existing facility and strengthening the viability of an existing company within the City of Franklin is critical to Franklin's economy.



CITY OF FRANKLIN

DEPARTMENT OF PLANNING & ECONOMIC DEVELOPMENT

Tax Abatement Application

Organization/Corporation Requesting Tax Abatement

Organization/Corporation Name: NSK PRECISION AMERIC, INC.

Primary Contact Name: KEITH WASILENSKI - SR. TAX ACCOUNTANT

Contact Address: 4200 GOSS ROAD

City: ANN ARBOR State: MI Zip: 48105

Phone Number: (734) 913-7588

Email: wasilek@nsk-corp.com

Three possible dates before the EDC
meeting to conduct a site visit: _____

Name of Owner: NSK AMERICAS, INC.

Parent Company (If Applicable): _____

Primary Contact for Yearly Compliance Reports

Name: LINDY RIGDON

Title: ACCOUNTING MANAGER

Address: 3450 BEARING DRIVE

City: FRANKLIN State: IN Zip: 46131

Phone Number: (317) 738-5000

Email: rigdonl@nsk-corp.com

Description of Project

Project Location/Address: 3450 BEARING DRIVE

Parcel Number: 41-05-34-042-005.002-009

Brief Description of Project:

Machinery reconstruction and replacement to increase output and maintain quality. Creation of existing space to additional production will support overseas demand of linear and ball screw products.

Current Assessed Value (AV) of the Property:

1. Land _____
2. Building \$7,029,300.00
3. Inventory _____
4. Equipment \$8,637,000.00

Have building permits been applied for (if applicable): Yes ☐ No ☒

Has equipment been installed (if applicable): Yes ☐ No ☒

Required Attachments:

- | | |
|---|--|
| ☐ Completed SB-1 Form(s) | ☐ Summary of Benefits (if applicable) |
| ☐ Legal Description of the Property | ☐ Employment Phase-In Schedule |
| ☐ Company Financial Statement | ☐ Company Investment Timetable |
| ☐ Job and Wage Description Information Sheet | ☐ Compliance Affidavit |

Type of Abatement RequestedReal Property ☒Personal Property ☒*Project Details*

Project Size (square feet): 25,000

Size of Site (acres): 29

Type of Building:

Multiple Tenants (leased) ☐Single Tenant (leased) ☐Owner Occupied ☒Corporate Headquarters ☐*Capital Investment*

1. Real property capital investment only:

2. Personal property capital investment only: \$10,200,000.00

3. Total capital investment for proposed project: \$10,200,000.00

Jobs Created and/or Retained

1. Estimated number of full time jobs created by the proposed project: 28

2. Estimated number of full time jobs retained as a direct result of the proposed project:

3. Total number of full time jobs upon project completion: 154

Wages Created and Retained

1. Average hourly wage rate for new jobs (w/o benefits) \$15.70

2. Average hourly wage rate for jobs retained (w/o benefits) \$19.98

***In addition to answering these questions, please fill out the Job and Wage Description for Tax Abatement Application information sheet and submit it with the application as an attachment.

Please explain why the abatement incentive is necessary to the project:

Global pricing and distribution of our products continue to push for lower prices and higher output, reductions of expenses will allow us to stay competitive in the market and retain jobs in Franklin.

Company Information

How long has the company been in existence? 39 YEARS

Current address of company headquarters and duration at that address: 10 YEAR AT CURRENT LOCATION

NSK CORPORATION, 4200 GOSS RD, ANN ARBOR, MI 48105

Approximate percentage of employees at current location who live in the City of Franklin and/or Johnson County:

72%

Have you ever received tax abatement at your current location? Yes ☒ No ☐

If yes, when and for what term? 10/21/2010 FOR A PERIOD OF 10 YEARS

What specifically has the company done to give back to the community:

Recently donated property adjacent to the Franklin Plant so the City/Twp could build a fire sub station. Employees and NSK are involved in local community organizations and events.

While acting as a strong advocate for using economic incentives to help applicants expand and/or locate in the community, the City of Franklin also strives to enrich the quality of life for its citizens. To that end, the City embraces the use of voluntary economic development fees as allowed under Indiana law (IC 6-1.1-12.1-14). These fees, paid by the applicant, are directed by the City to local nonprofit organizations to bolster their economic development efforts. The fee can be applied on both real and personal property abatements. The fee is collected annually by the County Treasurer as a special assessment on the tax bill and is distributed by the City to the designated economic development nonprofit organization. Typically, 2% is charged on Real Property and 5% is charged on Personal Property. More information can be found on the City's website (www.franklin.in.gov) under the Economic Development tab.

Is the company agreeable to the Economic Development Fee? Yes ☒ No ☐

If yes, at what percent(s)? 5% for Personal Property covered under abatements.

3 YEAR				
<i>NSK Precision America</i>				
Sample Property Tax on Personal Property (3 Year)				
Personal Property Tax Investment: \$10,200,000				
Tax Rate: 3.0%				
	<i>2014 Payable 2015</i>	<i>2014 Payable 2015</i>	<i>2015 Payable 2016</i>	
<i>Cost of Equipment</i>	\$10,200,000	\$10,200,000	\$10,200,000	
<i>True Cash Percentage Rate</i>	65%	50%	35%	
<i>True Cash Value</i>	\$6,630,000	\$5,100,000	\$3,570,000	
<i>Net Tax Rate</i>	3.0%	3.0%	3.0%	<i>Total</i>
<i>Tax w/o Abatement</i>	\$198,900	\$153,000	\$107,100	<i>\$459,000</i>
<i>Abatement Rate</i>	100%	66%	33%	
<i>Amount Abated</i>	\$198,900	\$100,980	\$35,343	<i>Total</i>
<i>Taxes Paid w/Abatement</i>	\$0	\$52,020	\$71,757	<i>\$123,777</i>
				<i>Total Fees Paid</i>
<i>5% Fee</i>	\$9,945	\$5,049	\$1,767	<i>\$16,761</i>
				<i>Total Tax Savings without Economic Development Fee</i>
				<i>\$335,223</i>
				<i>Total Tax Savings with 5% Economic Development Fee</i>
				<i>\$318,462</i>

5 YEAR						
NSK Precision America						
Sample Property Tax on Personal Property (5 Year Period)						
Personal Property Tax Investment: \$10,200,000						
Tax Rate: 3.0%						
	2014 Payable 2015	2015 Payable 2016	2016 Payable 2017	2017 Payable 2018	2018 Payable 2019	
Cost of Equipment	\$10,200,000	\$10,200,000	\$10,200,000	\$10,200,000	\$10,200,000	
True Cash Percentage Rate	40%	56%	42%	32%	24%	
True Cash Value	\$4,080,000	\$5,712,000	\$4,284,000	\$3,264,000	\$2,448,000	
Net Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	Total
Tax w/o Abatement	\$122,400	\$171,360	\$128,520	\$97,920	\$73,440	\$593,640
Abatement Rate	100%	80%	60%	40%	20%	
Amount Abated	\$122,400	\$137,088	\$77,112	\$39,168	\$14,688	Total
Taxes Paid w/Abatement	\$0	\$34,272	\$51,408	\$58,752	\$58,752	\$203,184
						Total Fees Paid
5% Fee	\$6,120	\$6,854	\$3,856	\$1,958	\$734	\$19,523
						Total Tax Savings without Economic Development Fee
						\$390,456
						Total Tax Savings with 5% Economic Development Fee
						\$370,933

7 YEAR

NSK Precision America

Sample Property Tax on Personal Property (7 Year Period)	
2017	2018
2019	2020
2021	2022
2023	2024
2025	2026
2027	2028
2029	2030
2031	2032
2033	2034
2035	2036
2037	2038
2039	2040
2041	2042
2043	2044
2045	2046
2047	2048
2049	2050
2051	2052
2053	2054
2055	2056
2057	2058
2059	2060
2061	2062
2063	2064
2065	2066
2067	2068
2069	2070
2071	2072
2073	2074
2075	2076
2077	2078
2079	2080
2081	2082
2083	2084
2085	2086
2087	2088
2089	2090
2091	2092
2093	2094
2095	2096
2097	2098
2099	2100

Personal Property Tax Investment: \$10,200,000
--

Tax Rate: 3.0%

[illegible]

10 YEAR

NSK Precision America

Sample Property Tax on Personal Property (10 Year Period)	
Personal Property Taxable Amount	\$10,000,000
Personal Property Tax Rate	0.0005
Personal Property Tax	\$5,000

Personal Property Tax Investment: \$10,200,000
Tax Rate: 3.0%

[illegible]

	2014 Payable 2015	2015 Payable 2016	2016 Payable 2017	2017 Payable 2018	2018 Payable 2019	2019 Payable 2020	2020 Payable 2021	2021 Payable 2022	2022 Payable 2023	2023 Payable 2024	
Cost of Equipment	\$10,200,000	\$10,200,000	\$10,200,000	\$10,200,000	\$10,200,000	\$10,200,000	\$10,200,000	\$10,200,000	\$10,200,000	\$10,200,000	
True Cash Percentage Rate	40%	60%	55%	45%	37%	30%	25%	20%	16%	12%	
True Cash Value	\$4,080,000	\$6,120,000	\$5,610,000	\$4,590,000	\$3,774,000	\$3,060,000	\$2,550,000	\$2,040,000	\$1,632,000	\$1,224,000	
Net Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	Total
Tax w/o Abatement	\$122,400	\$183,600	\$168,300	\$137,700	\$113,220	\$91,800	\$76,500	\$61,200	\$48,960	\$36,720	\$1,040,400
Abatement Rate	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%	
Amount Abated	\$122,400	\$165,240	\$134,640	\$96,390	\$67,932	\$45,900	\$30,600	\$18,360	\$9,792	\$3,672	Total
Tax Paid w/Abatement	\$0	\$18,360	\$33,660	\$41,310	\$45,288	\$45,900	\$45,900	\$42,840	\$39,168	\$33,048	\$345,474

[illegible]

CITY OF FRANKLIN, INDIANA

RESOLUTION NUMBER 2013-18

**A RESOLUTION ESTABLISHING AN ECONOMIC REVITALIZATION AREA AND GRANTING TAX
ABATEMENT FOR NSK PRECISION AMERICA, INC. (EDC 2013-07)**

WHEREAS, the economic growth and development of the City of Franklin, Johnson County, Indiana is the primary goal of the community;

WHEREAS, the Franklin Economic Development Commission has on July 9th, 2013, held a public meeting and considered the tax abatement request of NSK Precision America, Inc. in a manner consistent with the City of Franklin Community Investment Incentives Summary and the applicable sections of the Indiana Code.

WHEREAS, the Franklin Economic Development Commission has made the findings required by IC 6-1.1-12.1-3 and IC 6-1.1-12.1-4.5 the Franklin Economic Development Commission recommends that NSK Precision America, Inc. receive a 10 year tax abatement with a 5% Economic Development Fee on personal property located at the property described in "Exhibit A" and the manufacturing project described in the tax abatement request;

WHEREAS, a copy of the Statement of Benefits recommended for approval by the Franklin Economic Development Commission is attached hereto as "Exhibit B;"

WHEREAS, the Franklin Economic Development Commission has made the findings required by IC 6-1.1-12.1-3 and IC 6-1.1-12.1-4.5 and recommended that the property described as Exhibit "A" be designated as an economic revitalization area;

WHEREAS, the Common Council has received and reviewed "Exhibit B," with all attachments, and that such attachments are made a part hereof and incorporated herein, all which together contain the necessary statements of benefits, letter of application, and description of manufacturing equipment which are involved, along with the recommendation for tax abatement for personal property; and

WHEREAS, the Common Council has given careful consideration to the materials submitted and affirms the findings of the Franklin Economic Development Commission relative to the requirements of IC 6-1.1-12.1-3 and IC 6-1.1-12.1-4.5, and specifically including the following findings:

As to personal property the following findings are made:

- 1) The estimate of the cost of new manufacturing equipment is reasonable for equipment of that type;
- 2) The estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new manufacturing equipment;
- 3) The estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new equipment;
- 4) Any other benefits about which information was requested are benefits that can be reasonably expected to result from the installation of the new manufacturing equipment; and

5) The totality of the benefits is sufficient to justify the tax abatement.

NOW THEREFORE BE IT RESOLVED THAT:

- (1) The abatement of personal property tax shall extend for a period of ____ years, pursuant to the deduction schedule set forth in IC 6-1.1-12.1-4.5(e)(6).
- (2) NSK Precision America, Inc. shall be required to provide the City of Franklin with information showing the extent to which there has been compliance with the statement of benefits submitted in their request for tax abatement within sixty (60) days after the end of each year in which the deduction is applicable, all as required by IC 6-1.1-12.1-5.1 and IC 6-1.1-12.1-5.6.
- (3) A copy of this resolution and a description of the affected area will be available and can be inspected in the office of the Johnson County Assessor and the City Clerk/Treasurer.

APPROVED by the Common Council of the City of Franklin, Johnson County, Indiana, this ____ day of _____, 2013.

City of Franklin, Indiana, by its Common Council:

Voting Affirmative:

Voting Opposed:

Stephen D. Barnett, Council President

Stephen D. Barnett, Council President

Joseph P. Abban

Joseph P. Abban

Joseph R. Ault

Joseph R. Ault

Kenneth W. Austin

Kenneth W. Austin

Robert D. Henderson

Robert D. Henderson

Stephen D. Hougland

Stephen D. Hougland

Richard L. Wertz

Richard L. Wertz

Attest:

Janet P. Alexander
City Clerk-Treasurer

Presented by me to the Mayor of the City of Franklin for his approval or veto pursuant to Indiana Code § 36-4-6-15, 16, this ____ day of _____, 2013.

Janet P. Alexander
City Clerk-Treasurer

This ordinance having been passed by the legislative body and presented to me this [Approved by me and duly adopted, pursuant to Indiana Code § 36-4-6-16(a)(1)] [Vetoed, pursuant to Indiana Code § 36-4-6-16(a)(2)], this ____ day of _____, 2013.

Joseph E. McGuinness
Mayor

Attest:

Janet P. Alexander
City Clerk-Treasurer

APPROVED AS TO FORM:

Lynnette Gray
City Attorney

EXHIBIT A

Legal Description

A part of the Southwest quarter and a part of the Southeast quarter all in Section 34, Township 13 North, Range 4 East of the Second Principal Meridian, Johnson County, Indiana, more particularly described as follows:

Beginning at an iron rod found at the Northeast corner of the Southeast quarter of Section 34; thence North 88 degrees 53 minutes 35 seconds East on and along the North line of said Southwest quarter section 1051.92 feet (deed bearing and distance=North 88 degrees 54 minutes 30 seconds East 1052.13 feet to a point on the West right-of-way line of the former Penn-Central Railroad (now Conrail); thence South 16 degrees 09 minutes 00 seconds East on and along the West right-of-way line 520.30 feet; (deed distance and bearing= South 16 degrees 09 minutes 07 seconds East 520.30 feet); thence South 89 degrees 19 minutes 14 seconds West 1394.56 feet (deed bearing and distance= South 89 degrees 18 minutes 30 seconds West 1395.16 feet); thence South 0 degrees 13 minutes 30 seconds West 862.90 feet; thence South 89 degrees 10 minutes 30 seconds West 250.00 feet; thence North 0 degrees 13 minutes 30 seconds East 1355.08 feet to a point on the North line of the Southwest quarter section; thence North 89 degrees 02 minutes 56 seconds East on and along the North line of said Southwest quarter section 446.12 feet (deed bearing North 89 degrees 03 minutes 30 seconds East) to the Point of Beginning containing 22.854 acres, more or less.

Together with and subject to an easement for ingress and egress over the following described property:

A part of the Southwest quarter and a part of the Southeast quarter all in Section 34, Township 13 North, Range 4 East of the Second Principal Meridian, Johnson County, Indiana, more particularly described as follows:

Thirty feet each side of the following described centerline, commencing at an iron rod found at the northeast corner of the southeast quarter of Section 34, thence South 89 degrees 02 minutes 56 seconds West on and along the North line of said Southeast quarter section 446.12 feet to the point of beginning; thence South 0 degrees 13 minutes 30 seconds West 1668.70 feet terminating on the North right-of-way line of Sloan Drive.



STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51764 (R2 / 12-11)

Prescribed by the Department of Local Government Finance

FORM SB-1 / PP

PRIVACY NOTICE

The cost and any specific individual's salary information is confidential; the balance of the filing is public record per IC 6-1.1-12.1-5.1 (c) and (d).

EXHIBIT B

INSTRUCTIONS:

1. This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body **BEFORE** a person installs the new manufacturing equipment and/or research and development equipment, and/or logistical distribution equipment and/or information technology equipment for which the person wishes to claim a deduction. "Projects" planned or committed to after July 1, 1987, and areas designated after July 1, 1987, require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
2. Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to installation of the new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment, **BEFORE** a deduction may be approved
3. To obtain a deduction, a person must file a certified deduction schedule with the person's personal property return on a certified deduction schedule (Form 103-ERA) with the township assessor of the township where the property is situated or with the county assessor if there is no township assessor for the township. The 103-ERA must be filed between March 1 and May 15 of the assessment year in which new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment is installed and fully functional, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between March 1 and the extended due date of that year.
4. Property owners whose Statement of Benefits was approved after June 30, 1991, must submit Form CF-1 / PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
5. The schedules established under IC 6-1.1-12.1-4.5(d) and (e) apply to equipment installed after March 1, 2001, unless an alternative deduction schedule is adopted by the designating body (IC 6-1.1-12.1-17).

SECTION 1		TAXPAYER INFORMATION				
Name of taxpayer NSK PRECISION AMERICA, INC.						
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 PROPOSED PROJECT				
Name of designating body FRANKLIN CITY COMMON COUNCIL		Resolution number (s)				
Location of property 3450 BEARING DRIVE, FRANKLIN, IN 46131		County JOHNSON				
DLGF taxing district number						
Description of manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment. (use additional sheets if necessary) Machinery reconstruction and replacement to increase output and maintain quality. Creation of existing space to additional production will support overseas demand of linear and ball screw products.		ESTIMATED				
		START DATE				
		COMPLETION DATE				
		Manufacturing Equipment				
		R & D Equipment				
Logist Dist Equipment						
IT Equipment						
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT				
Current number 135	Salaries 8,960,000.00	Number retained	Salaries			
		28	970,000.00			
SECTION 4		ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT				
NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.	MANUFACTURING EQUIPMENT		R & D EQUIPMENT	LOGIST DIST EQUIPMENT	IT EQUIPMENT	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Current values	29,498,000.00	8,637,000.00				
Plus estimated 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 estimated values upon completion of project	34,698.00	10,197,000.00				
SECTION 5		WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER				
Estimated solid waste converted (pounds)		Estimated hazardous waste converted (pounds)				
Other benefits:						
SECTION 6		TAXPAYER CERTIFICATION				
I hereby certify that the representations in this statement are true.						
Signature of authorized representative 		Title PRESIDENT	Date signed (month, day, year) 5-28-2013			

CITY OF FRANKLIN, INDIANA

RESOLUTION NUMBER 2013-19

**RESOLUTION SETTING FORTH FINAL ACTION IN DETERMINING AN ECONOMIC REVITALIZATION AREA
AND CONFIRMING RESOLUTION 2013-18 OF JULY 15TH, 2013
(EDC 2013-07: NSK PRECISION AMERICA, INC.)**

WHEREAS, the Common Council of the City of Franklin, Indiana has adopted a *Community Investment Incentives Summary and Application Procedure* on March 27, 2000; and

WHEREAS, pursuant to said *Community Investment Incentives Summary and Application Procedure*, NSK Precision America, Inc. has filed a "Tax Abatement Request," pursuant to IC 6-1.1-2.1-1 et seq.; and

WHEREAS, at a regular meeting of the Common Council of the City of Franklin, Indiana held on July 15th, 2013, said Common Council reviewed and approved said request and declared certain real estate within the City of Franklin, Indiana to be an "Economic Revitalization Area" pursuant to the specification of Resolution No. 2013-18 adopted and approved that date; and

WHEREAS, pursuant to IC 6-1.1-12.1-1 et seq. the Common Council of the City of Franklin, Indiana has properly published "Notice of Public Hearing by the Common Council of the City of Franklin, Indiana regarding the designation of the area as an Economic Revitalization Area;" and

WHEREAS, no remonstrance, written or oral, have been filed with regard to Resolution Number 2013-18 stating opposition of any type or character, to said Resolution, or the designation of the real estate described therein as an "Economic Revitalization Area;" and

Now, therefore be it resolved by the Common Council of the City of Franklin, Indiana as follows:

1. Final Action: After legally required public notice, and after a public hearing pursuant to such notice, the Common Council of the City of Franklin, Indiana hereby takes "final action," as that phrase is defined in IC 6-1.1-12.1-1 et seq. With regard to the tax abatement request by NSK Precision America, Inc. and the adoption of Resolution Number 2013-18 of July 15th, 2013.
2. Confirmation of Resolution No. 2013-18: It is hereby declared by the Common Council of the City of Franklin, Indiana that Resolution Number 2013-18, adopted on July 15th, 2013 is in all respects hereby affirmed, and it is hereby stated that the Economic Development Commission's determination that the real estate controlled by NSK Precision America, Inc. as described in Resolution Number 2013-18 is designated as an Economic Revitalization Area.
3. Effective Date: This Resolution shall be effective immediately upon its passage subject to any right of appeal as provided by State Law.
4. Filing with Johnson County Authorities: Upon adoption of the Resolution, the Clerk-Treasurer of the City of Franklin, Indiana shall cause a certified copy of this Resolution to be filed with the Johnson County Assessor and/or such other Johnson County government officials as shall be necessary to make NSK Precision America, Inc. eligible to file for real estate tax abatement as to

the personal property and improvements contemplated by the tax abatement request reviewed and approved by Resolution Number 2013-18 and ratified and affirmed by this Resolution.

DULY PASSED on this _____ day of _____, 2013, by the Common Council of the City of Franklin, Johnson County, Indiana, having been passed by a vote of _____ in Favor and _____ Opposed.

City of Franklin, Indiana, By its Common Council:

Voting Affirmative:

Stephen D. Barnett, Council President

Joseph P. Abban

Joseph R. Ault

Kenneth W. Austin

Robert D. Henderson

Stephen D. Hougland

Richard L. Wertz

Voting Opposed:

Stephen D. Barnett, Council President

Joseph P. Abban

Joseph R. Ault

Kenneth W. Austin

Robert D. Henderson

Stephen D. Hougland

Richard L. Wertz

Attest:

Janet P. Alexander
Clerk-Treasurer

Presented by me to the Mayor of the City of Franklin for his approval or veto pursuant to Indiana Code § 36-4-6-15, 16, this ____ day of _____, 2013.

Janet P. Alexander
Clerk-Treasurer

This ordinance having been passed by the legislative body and presented to me this [Approved by me and duly adopted, pursuant to Indiana Code § 36-4-6-16(a)(1)] [Vetoed, pursuant to Indiana Code § 36-4-6-16(a)(2)], this ____ day of _____, 2013.

Joseph E. McGuinness
Mayor

Attest:

Janet P. Alexander
Clerk-Treasurer

APPROVED AS TO FORM:

Lynnette Gray
City Attorney