



CITY OF FRANKLIN

Community Development Department

Memorandum

To: City of Franklin Economic Development Commission
From: Dana Monson, Community Development Department
Date: April 9, 2024
Re: Case C 2024-27: NSK Corporation (22-07)

Summary:

1. On May 16th 2022, the Franklin Common Council passed Resolution No. 2022-07, approving a 10-year tax abatement with a 2% economic development fee on real property for NSK Corporation, located at 3400 Bearing Drive.
2. Actual and estimated benefits, as projected for 2023:

	Estimated on SB-1	Actual in 2023	Difference
Employees Retained	215	215	0
Salaries	\$8,944,000	\$25,713,570	\$16,769,570
New Employees	13	140	127
Salaries	\$540,800	\$16,743,720	\$16,202,920
Total Employees	228	355	127
Total Salaries	\$9,484,800	\$42,457,401	\$32,972,601
Average Hourly Salaries	\$20.00	\$57.50	\$37.50
Real Property Improvements	\$1,380,000	\$728,814.00	-\$651,186

3. The company has begun the project but has not yet fully completed the project. They do expect to complete this year and the full line will be running.
4. The company has hired more employees than anticipated with higher wages.
5. The abatement will expire in 2033 and pay 2034. The final compliance report will be due in 2033.

Staff Recommendation: Approval

NSK Corporation
3400 Bearing Dr
Franklin, IN 46131

March 22, 2024

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

Re: Tax Abatement Compliance for NSK Corporation

Dear Mrs. Monson:

Enclosed please find Forms CF-1 (Compliance with Statement of Benefits) regarding compliance with the real and personal property tax abatements which were granted to NSK Corporation in 2010, 2013, 2016 and 2022 under Franklin Common Council Resolution numbers 13-20, 16-19, 2022-07 and 2022-08.

Per our supporting documentation, previous conversations, and previous years' compliance packet letters regarding Resolution 13-20, we did not meet our original capital expenditures 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 due to lost business and significant currency fluctuations between the US dollar and the Japanese Yen. We do have additional capital expenditures not yet placed in service to be reflected in future periods.

Regarding Resolution 16-19, NSK has achieved the full amount of capital investments projected under Resolution 16-19.

Resolution 2022-07 and 2022-08 are in the early stages of making the capital investments and job creations but are still on track to meet the requirements.

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

Sincerely,



Kyle VanWambeke
Advantax
630-444-2777

Enclosures



COMPLIANCE WITH STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51766 (R2 / 1-07)
Prescribed by the Department of Local Government Finance

20 24 PAY 20 25

FORM CF-1 / Real Property

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).

This statement is being completed for real property that qualifies under the following Indiana Code (check one box):

- Redevelopment or rehabilitation of real estate improvements (IC 6-1.1-12.1-4)
 Eligible vacant building (IC 6-1.1-12.1-4.8)

INSTRUCTIONS:

- This form does not apply to property located in a residentially distressed area. (IC 6-1.1-12.1-2 (b))
- Property owners must file this form with the County Auditor and the Designating Body for their review regarding the compliance of the project with the Statement of Benefits (SB-1 / Real Property).
- This form must accompany the initial deduction application that is filed with the County Auditor.
- Property owners whose Statement of Benefits was approved after June 30, 1991, must file an updated form with the County Auditor and the local Designating Body to show the extent to which there has been compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.1)
- The updated form must be filed annually by May 15, or by the due date for the real property owner's personal property return that is filed in the township where the project is located, whichever is later. (IC 6-1.1-12.1-5.1 (b))
- With the approval of the Designating Body, compliance information for multiple projects may be consolidated on one (1) compliance form (CF-1 / Real Property).

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			
Name of contact person Amy Miller		Telephone number (734) 478-1311	
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY			
Name of designating body City of Franklin		Resolution number 2022-07	
Location of property 3400 Bearing Drive		County Johnson	
Description of real property improvements: Investments in real property improvements and personal property (machinery & equipment/tooling) will be made from 2022-2026		DLGF taxing district number 41009	
		Estimated starting date (month, day, year) 05/01/2022	
		Estimated completion date (month, day, year) 03/01/2026	
SECTION 3 EMPLOYEES AND SALARIES			
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		215	355
Salaries		8,944,000.00	42,457,401.00
Number of employees retained		215	355
Salaries		8,944,000.00	42,457,401.00
Number of additional employees		13	
Salaries		540,800.00	
SECTION 4 COST AND VALUES			
COST AND VALUES		REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1		COST	ASSESSED VALUE
Values before project			5,101,300.00
Plus: Values of proposed project		1,380,000.00	
Less: Values of any property being replaced			
Net values upon completion of project			
ACTUAL		COST	ASSESSED VALUE
Values before project			5,101,300.00
Plus: Values of proposed project		728,814.00	218,644.00
Less: Values of any property being replaced			
Net values upon completion of project		728,814.00	5,319,944.00
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>Keyle VanHornbeke</i>		Title Tax Agent	Date signed (month, day, year) 03/26/2024

Company Name	Site Code	Asset #	Asset Description	Acq Date	Cost	Asset Category
NSK Corporation	2022-07	152694	FR Hub Plant - LU300 Lathe Replacement (FRK) (FAC)	10/29/2023	268,069.16	Real Property
NSK Corporation	2022-07	152731	Employee entrance/ Breakroom Upgrade (FAC) (2022)	7/27/2023	203,501.00	Real Property
NSK Corporation	2022-07	150392	HVAC Replacement (FAC) (NSK-FR) (2021)	8/29/2023	123,324.00	Real Property
NSK Corporation	2022-07	152221	Parking Lot Resurface (FRK) (2022) (FAC)	1/22/2023	121,400.00	Real Property
NSK Corporation	2022-07	151610	HVAC Replacement - Phase 2 (2020)	4/29/2023	12,519.50	Real Property
					728,813.66	