



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 2024-29: NSK Corporation (22-08)

Summary:

1. On May 16th 2022, the Franklin Common Council passed Resolution No. 2022-08, 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 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	\$28,654,000	\$3,857,970	-\$24,796,030

3. The company has begun the project but has not yet fully completed the renovations. 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
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 Corporation	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 2022-08	Estimated start date (month, day, year) 5/1/2022
Location of property 3400 Bearing Drive, Franklin, IN 46131		Actual start date (month, day, year)
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired. Investments in real property improvements and personal property (machinery & equipment/tooling) will be made from 2022-2026		Estimated completion date (month, day, year) 3/1/2026
		Actual completion date (month, day, year)

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								
AS ESTIMATED ON SB-1	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project								
Plus: Values of proposed project	28,654,000.00	8,596,200.00						
Less: Values of any property being replaced								
Net values upon completion of project								
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values before project								
Plus: Values of proposed project	3,857,970.00	1,157,391.00						
Less: Values of any property being replaced								
Net values upon completion of project								

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>Kyle Varr Wumbke</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	2022-08	130512	LIDKOPING GRINDER 660-S	1/1/1994	527,432.00	Machinery & Equipment
NSK Corporation	2022-08	145811	3C4 2 Spindle Super Finish Machine (EQPT) (NSK-FR)	8/1/2022	361,324.30	Machinery & Equipment
NSK Corporation	2022-08	125869	MATERIAL HANDLING--CL660-S	1/1/1994	252,217.00	Machinery & Equipment
NSK Corporation	2022-08	151404	#2 Ball Insertion Machine (2022)	9/1/2023	182,389.02	Machinery & Equipment
NSK Corporation	2022-08	150588	Laser Marking Machine (NSK-FRK)(EQPT) (2022)	9/1/2023	165,492.95	Machinery & Equipment
NSK Corporation	2022-08	151291	High Pressure Coolant (FRK) (2022) (EQPT)	4/1/2023	141,329.71	Machinery & Equipment
NSK Corporation	2022-08	153893	3C9 Rigity Machine Upgrade (EQPT) (FRK)	10/29/2023	125,603.81	Machinery & Equipment
NSK Corporation	2022-08	149895	3C10 B2 Line Loader (EQPT) (NSK-FR) (2021)	3/16/2023	118,529.69	Machinery & Equipment
NSK Corporation	2022-08	149896	3C9 A Line Loader (EQPT) (NSK-FR) (2021)	3/24/2023	112,680.98	Machinery & Equipment
NSK Corporation	2022-08	150885	V5C Wheel Head Rebuild (EQPT) (NSK-FR) (2021)	7/31/2022	112,170.43	Machinery & Equipment
NSK Corporation	2022-08	145809	TRB Outer Assembly Loading (RA2A) (EQPT) (NSK-FR)	3/22/2023	110,546.80	Machinery & Equipment
NSK Corporation	2022-08	144812	NCL Line Loading #1 (EQPT) (NSK-FR) (2020)	10/31/2022	108,719.90	Machinery & Equipment
NSK Corporation	2022-08	152739	FS4 Rebuild project (EQPT) (FRK) (2022)	4/1/2023	108,325.00	Machinery & Equipment
NSK Corporation	2022-08	149965	3C9 B2 Line Loader (EQPT) (NSK-FR) (2021)	3/22/2023	107,911.39	Machinery & Equipment
NSK Corporation	2022-08	145612	TGB-1181 Overhaul (EQPT) (NSK-FR) (2020)	8/1/2022	106,259.85	Machinery & Equipment
NSK Corporation	2022-08	151706	NSK Franklin Surfcom Machine (EQPT) (2022)	10/31/2022	94,441.00	Machinery & Equipment
NSK Corporation	2022-08	152743	FY22 Phone System Upgrade	9/28/2023	79,868.31	Machinery & Equipment
NSK Corporation	2022-08	151349	FR HUB TRB Laser Mark Unit Replacement	10/31/2022	78,540.00	Machinery & Equipment
NSK Corporation	2022-08	152932	FR Rondcom NEX 200 SD2-11	4/1/2023	76,717.95	Machinery & Equipment
NSK Corporation	2022-08	145747	A & B2 Grind Tooling (NOTL) (NSK-FR) (2020)	9/1/2022	73,405.73	Molds, Dies, Jigs & Tools
NSK Corporation	2022-08	145035	Toyota 890B C-SUB (59-15) on 3C5 (G2/QA) (NOTL) (N	9/1/2022	72,834.44	Molds, Dies, Jigs & Tools
NSK Corporation	2022-08	152794	Franklin Surfcom NEX 200 SD2-24-N	4/1/2023	72,242.14	Machinery & Equipment
NSK Corporation	2022-08	145878	High Pressure Coolant for 3B3 and 1G7 1GB-120 (EQP	8/1/2022	68,323.82	Machinery & Equipment
NSK Corporation	2022-08	150582	Roller Feeder Improvement (EQPT) (NSK-FR) (2021)	8/1/2022	66,297.50	Machinery & Equipment
NSK Corporation	2022-08	145750	QA Inspection Cameras Phase II (EQPT) (NSK-FR) (20	8/1/2022	62,829.68	Machinery & Equipment
NSK Corporation	2022-08	145175	Toyota 890B C-SUBV (59-15) ON 3C5 (Assy) (NOTL) (N	9/1/2022	61,369.21	Molds, Dies, Jigs & Tools
NSK Corporation	2022-08	152444	TRB Vision Inspection Upgrade (EQPT) (RB1) (2021)	3/22/2023	60,060.55	Machinery & Equipment
NSK Corporation	2022-08	149969	TRB Vision Inspection Upgrade (EQPT) (RB3) (2021)	3/22/2023	60,060.54	Machinery & Equipment
NSK Corporation	2022-08	150687	FS4 Rebuild (EQPT) (NSK-FR) (2021)	8/1/2022	50,412.70	Machinery & Equipment
NSK Corporation	2022-08	145814	High Pressure Coolant RB1B TGB-1181 (EQPT) (NSK-FR)	8/1/2022	43,670.96	Machinery & Equipment
NSK Corporation	2022-08	149641	TRB Laser Marker Upgrade (EQPT) (NSK-FR) (2021)	8/1/2022	38,878.64	Machinery & Equipment
NSK Corporation	2022-08	149645	3C5 Overhaul (ASM) (NSK-FR) (2021)	1/23/2023	24,468.03	Machinery & Equipment
NSK Corporation	2022-08	152463	3C5 Overhaul (Assembly) (NSK-FR) (2021)	1/22/2023	24,468.03	Machinery & Equipment
NSK Corporation	2022-08	152443	Air Leak Detector (NSK-FRK) (2022)	1/1/2023	16,553.02	Machinery & Equipment
NSK Corporation	2022-08	150674	QA Master and gauges (EQPT) (NSK-FR) (2020)	12/31/2022	15,248.84	Machinery & Equipment
NSK Corporation	2022-08	150936	FFT Multifunction Generator Calibration Equipment	10/31/2022	12,258.59	Machinery & Equipment
NSK Corporation	2022-08	152462	3C5 Overhaul (Grease Insertion) (NSK-FR) (2021)	1/22/2023	12,234.02	Machinery & Equipment
NSK Corporation	2022-08	152464	3C5 Overhaul (Ball Insertion) (NSK-FR) (2021)	1/22/2023	12,234.02	Machinery & Equipment
NSK Corporation	2022-08	150678	OD2 Noise Reduction (EQPT) (NSK-FR) (2021)	8/1/2022	10,923.50	Machinery & Equipment
NSK Corporation	2022-08	146186	OD2 Noise Reduction (EQPT) (NSK-FR) (2021)	8/1/2022	10,747.50	Machinery & Equipment
NSK Corporation	2022-08	152461	3C5 Overhaul (Finish Wash) (NSK-FR) (2021)???????	1/23/2023	8,156.01	Machinery & Equipment
NSK Corporation	2022-08	146123	B1 Grind Tooling (NOTL) (NSK-FR) (2020)	8/1/2022	6,536.12	Molds, Dies, Jigs & Tools
NSK Corporation	2022-08	152081	Bolt Insertion machine (2020)	11/30/2023	3,255.95	Machinery & Equipment
NSK Corporation	2022-08	145292	Assembly Tooling (NOTL) (NSK-FR) (2020)	9/30/2022	-	Molds, Dies, Jigs & Tools
NSK Corporation	2022-08	151934	Eriks Asset	12/22/2022	-	Machinery & Equipment
					3,857,969.63	