



# 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 2024-31: NSK Precision America 13-18

### Summary:

- On July 15<sup>th</sup>, 2013, the Franklin Common Council passed Resolution No. 2013-18, approving a 10-year tax abatement with a 5% economic development fee on personal property for NSK Precision America, located at 3450 Bearing Drive.
- Actual and estimated benefits, as projected for 2023:

	Estimated on SB-1	Actual in 2023	Difference
Employees Retained	135	135	0
Salaries	\$8,960,000	\$18,261,045	\$9,301,045
New Employees	26	55	29
Salaries	\$970,000	\$7,439,685	\$6,469,685
Total Employees	161	190	29
Total Salaries	\$9,930,000	\$25,700,911	\$15,770,911
Average Hourly Salaries	\$29.65	\$65.03	\$35.38
Personal Property Improvements	\$10,200,000	\$11,232,578	\$1,032,578

- The company indicated on their original application that \$2,500,000 in equipment would be purchased in 2013; \$2,600,000 in 2014; \$4,100,000 in 2015; and \$1,000,000 in 2016. The company was on schedule with the estimate provided on the SB-1 Form for personal property investment in 2013 and 2014. The cost of equipment purchased in 2015 was \$1,665,258, which was off schedule by \$2,434,742. NSK has exceeded the SB-1 estimate for personal property improvements.
- The company was 3 employees short of what they estimated their employee count to be, and lower than their estimated average hourly salaries in 2013. They greatly improved their number of employees and average hourly salaries in 2014. They exceeded the number of estimated employees in 2015, but the average hourly salary is \$2.74 per hour under the SB-1 estimate. In 2016 NSK was down 11 employees, and they were \$1.65 per hour lower than the estimate. In 2017 NSK exceeded the estimated number of employees and total salaries. They are down for 2020 due to COVID-19 and have temporarily not backfilled jobs, but intend to as the auto industry picks up. In 2021 they did hire more employees but are still short. They are continuing to actively hire and have increased wages

substantially. The company has added more employees but is still short on the estimate. Wages are significantly higher. In 2023 the company greatly exceeded employment numbers and wages.

5. The completion date approved on their SB-1 Form was March 31, 2016. The personal property tax abatement is scheduled to expire in tax year 2025 payable in 2026. Their last year for compliance review will be 2025.

**Staff Recommendation: Approval**

NSK Precision America, Inc  
3450 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 Precision America, Inc

Dear Mrs. Monson:

Enclosed please find Form CF-1 (Compliance with Statement of Benefits) regarding compliance with the real and personal property tax abatements which were granted to NSK Precision America, Inc in 2013 and 2022 under Franklin Common Council Resolution No. 13-18, 2022-09 and 2022-10.

As detailed in the enclosed documents for Resolution 13-18, NPA has met the estimated salary projection and has been successful in making all of the capital investments and creating the full complement of jobs projected under Resolution 13-18.

Resolution 2022-09 and 2022-10 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 Precision America, Inc	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	13-18
Location of property	3450 Bearing Drive, Franklin, IN 46131	Estimated start date (month, day, year)	07/01/2013
Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired.	Machinery reconstruction and replacement to increase output and maintain quality, creation of existing space for additional production to supply increased demand overseas	Actual start date (month, day, year)	07/01/2013
		Estimated completion date (month, day, year)	03/31/2016
		Actual completion date (month, day, year)	08/16/2018
SECTION 3		EMPLOYEES AND SALARIES	
<b>EMPLOYEES AND SALARIES</b>		<b>AS ESTIMATED ON SB-1</b>	<b>ACTUAL</b>
Current number of employees		135	190
Salaries		8,960,000.00	25,700,911.00
Number of employees retained			
Salaries			
Number of additional employees		26	55
Salaries		970,000.00	16,740,911.00
SECTION 4		COST AND VALUES	
	<b>MANUFACTURING EQUIPMENT</b>	<b>R &amp; D EQUIPMENT</b>	<b>LOGIST DIST EQUIPMENT</b>
	<b>COST</b>	<b>ASSESSED VALUE</b>	<b>COST</b>
<b>AS ESTIMATED ON SB-1</b>			
Values before project	29,498,000.00	8,637,000.00	
Plus: 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 values upon completion of project	34,698,000.00	10,197,000.00	
<b>ACTUAL</b>	<b>COST</b>	<b>ASSESSED VALUE</b>	<b>COST</b>
Values before project	29,498,000.00	8,637,000.00	
Plus: Values of proposed project	11,154,973.00	3,346,492.00	
Less: Values of any property being replaced	1,095,225.00	328,568.00	
Net values upon completion of project	39,557,748.00	11,654,924.00	
<b>NOTE:</b> 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	
<b>WASTE CONVERTED AND OTHER BENEFITS</b>		<b>AS ESTIMATED ON SB-1</b>	<b>ACTUAL</b>
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	Date signed (month, day, year)	
<i>[Signature]</i>	Tax Agent	3/22/2014	

**OPTIONAL: FOR USE BY A DESIGNATING BODY WHO ELECTS TO REVIEW THE COMPLIANCE WITH STATEMENT OF BENEFITS (FORM CF-1)  
THAT WAS APPROVED AFTER JUNE 30, 1991.**

**INSTRUCTIONS: (IC 6-1.1-12.1-5.9)**

1. This page does not apply to a Statement of Benefits filed before July 1, 1991; that deduction may not be terminated for a failure to comply with the Statement of Benefits.
2. Within forty-five (45) days after receipt of this form, the designating body may determine whether or not the property owner has substantially complied with the Statement of Benefits.
3. If the property owner is found **NOT** to be in substantial compliance, the designating body shall send the property owner written notice. The notice must include the reasons for the determination and the date, time and place of a hearing to be conducted by the designating body. If a notice is mailed to a property owner, a copy of the written notice will be sent to the County Assessor and the County Auditor.
4. Based on the information presented at the hearing, the designating body shall determine whether or not the property owner has made reasonable effort to substantially comply with the Statement of Benefits and whether any failure to substantially comply was caused by factors beyond the control of the property owner.
5. If the designating body determines that the property owner has **NOT** made reasonable effort to comply, then the designating body shall adopt a resolution terminating the deduction. The designating body shall immediately mail a certified copy of the resolution to: (1) the property owner; (2) the County Auditor; and (3) the County Assessor.

We have reviewed the CF-1 and find that:			
<input type="checkbox"/> the property owner <b>IS</b> in substantial compliance <input type="checkbox"/> the property owner <b>IS NOT</b> in substantial compliance <input type="checkbox"/> other (specify) _____			
Reasons for the determination (attach additional sheets if necessary)			
Signature of authorized member			Date signed (month, day, year)
Attested by:		Designating body	
If the property owner is found not to be in substantial compliance, the property owner shall receive the opportunity for a hearing. The following date and time has been set aside for the purpose of considering compliance.			
Time of hearing	<input type="checkbox"/> AM <input type="checkbox"/> PM	Date of hearing (month, day, year)	Location of hearing
<b>HEARING RESULTS (to be completed after the hearing)</b>			
<input type="checkbox"/> Approved		<input type="checkbox"/> Denied (see instruction 5 above)	
Reasons for the determination (attach additional sheets if necessary)			
Signature of authorized member			Date signed (month, day, year)
Attested by:		Designating body	
<b>APPEAL RIGHTS [IC 6-1.1-12.1-5.9(e)]</b>			
A property owner whose deduction is denied by the designating body may appeal the designating body's decision by filing a complaint in the office of the clerk of Circuit or Superior Court together with a bond conditioned to pay the costs of the appeal if the appeal is determined against the property owner.			

Company Name	Site Code	Asset #	Asset Description	Acq Date	Cost	Asset Category
NSK Precision America, Inc	13-18	132484	M9 Line #3	08/16/2016	960,000.00	Machinery & Equipment
NSK Precision America, Inc	13-18	132794	STG BG-9211BS P Retrofit Serial:MG56961	02/01/2016	595,461.48	Machinery & Equipment
NSK Precision America, Inc	13-18	132787	NTG GSN-1801N Machine F	08/16/2013	584,228.78	Machinery & Equipment
NSK Precision America, Inc	13-18	132333	2M SWAP MACHINE GSE-200A STG M	09/16/2013	556,447.53	Machinery & Equipment
NSK Precision America, Inc	13-18	132558	NTG G MACHINE RETROFIT	06/16/2014	543,912.45	Machinery & Equipment
NSK Precision America, Inc	13-18	132246	STG N MACHINE RETROFIT	06/16/2014	542,958.00	Machinery & Equipment
NSK Precision America, Inc	13-18	132250	M9 Line #6 Neturen Tempering Machine	08/16/2016	500,000.17	Machinery & Equipment
NSK Precision America, Inc	13-18	132793	NTG GSN-1801N H Retrofit	02/16/2016	491,042.40	Machinery & Equipment
NSK Precision America, Inc	13-18	132701	Mazk Integrex Machine Replacement	03/16/2013	421,531.90	Machinery & Equipment
NSK Precision America, Inc	13-18	132627	M9 Line #4	08/16/2016	402,200.00	Machinery & Equipment
NSK Precision America, Inc	13-18	132407	Mazak Integrex I200	04/16/2015	398,598.00	Machinery & Equipment
NSK Precision America, Inc	13-18	132336	Integrex i-200 #2	04/16/2016	393,914.94	Machinery & Equipment
NSK Precision America, Inc	13-18	132699-1	L1/SC MACHINE REPLACEMENT	08/16/2014	385,494.49	Machinery & Equipment
NSK Precision America, Inc	13-18	132617	BALL CIRCUIT REPLACEMENT	10/16/2014	345,782.33	Machinery & Equipment
NSK Precision America, Inc	13-18	132618	Shigiya Nut OD Replacement GAE-30B0.5	03/16/2013	305,822.75	Machinery & Equipment
NSK Precision America, Inc	13-18	132560	L3/4 LH35-3000 Retrofit Machine	08/16/2013	297,009.00	Machinery & Equipment
NSK Precision America, Inc	13-18	132616	FLANGE MILLING REPLACEMENT	08/16/2014	292,752.31	Machinery & Equipment
NSK Precision America, Inc	13-18	132545	SHIGIYA GN30B150S0D Retrofit	12/16/2012	272,252.04	Machinery & Equipment
NSK Precision America, Inc	13-18	132705	NAKAMURA TOME AS2000MY MACH CTR	07/16/2014	266,985.69	Machinery & Equipment
NSK Precision America, Inc	13-18	132329	Okuma MB-56VA	08/16/2015	256,378.20	Machinery & Equipment
NSK Precision America, Inc	13-18	132483	M9 Line #2 GSN1801N-J	08/16/2016	250,000.00	Machinery & Equipment
NSK Precision America, Inc	13-18	132477	MM920-BS 2M LEAD MEASURING MACHINE	09/16/2013	129,089.50	Machinery & Equipment
NSK Precision America, Inc	13-18	132330	Mitutoyo CMM with Scanning Probe	05/16/2015	122,522.16	Machinery & Equipment
NSK Precision America, Inc	13-18	132706	LINEAR GUIDE RAIL CUT SAW Kalamazoo K36	04/16/2014	109,500.00	Machinery & Equipment
NSK Precision America, Inc	13-18	132409	Improved Assembly Ball Screw Build Fixture	06/16/2013	106,130.01	Machinery & Equipment
NSK Precision America, Inc	13-18	132785	Downdraft #1	03/16/2013	104,117.58	Machinery & Equipment
NSK Precision America, Inc	13-18	132557	Hanel Lean Lift	05/16/2015	99,950.00	Machinery & Equipment
NSK Precision America, Inc	13-18	132620	Bad Feeling Detection	07/16/2013	94,888.00	Machinery & Equipment
NSK Precision America, Inc	13-18	132555	3 Machines Crating, Rigging, and Shipping to Japan	04/16/2015	91,806.50	Machinery & Equipment
NSK Precision America, Inc	13-18	132332	Downdraft #2	03/16/2013	87,465.64	Machinery & Equipment
NSK Precision America, Inc	13-18	132482	JobPack	08/16/2016	85,077.85	Machinery & Equipment
NSK Precision America, Inc	13-18	132566	Haas Vertical Machining Center VF-2YT	08/16/2015	84,946.60	Machinery & Equipment
NSK Precision America, Inc	13-18	132786	Large Line Assembly QA Improvements	08/16/2013	77,938.66	Machinery & Equipment
NSK Precision America, Inc	13-18	132478	SHAFT THREAD GRIND QUALITY	08/01/2013	73,326.73	Machinery & Equipment
NSK Precision America, Inc	13-18	132479	SHAFT THRD GRIND WAVE INS BNCH	07/16/2014	63,874.32	Machinery & Equipment
NSK Precision America, Inc	13-18	132624	NPA BS STEEL CUT SAW REPLC	04/16/2014	63,390.00	Machinery & Equipment
NSK Precision America, Inc	13-18	132698	Mitutoyo Gage Block Replacements	05/16/2015	61,191.26	Machinery & Equipment
NSK Precision America, Inc	13-18	132411	ASSEMBLY QUALITY UPGRADE CART	05/01/2013	59,214.79	Machinery & Equipment
NSK Precision America, Inc	13-18	132621	Automatic Microvickers Test Equipment	09/16/2013	49,916.50	Machinery & Equipment
NSK Precision America, Inc	13-18	132699-2	L1/SC MACHINE REPLACEMENT	08/16/2014	42,832.72	Molds, Dies, Jigs & Tools
NSK Precision America, Inc	13-18	132562	Precrusher Compacting System for B4	02/01/2016	40,125.00	Machinery & Equipment
NSK Precision America, Inc	13-18	132345	Mop Water Reclamation	08/16/2015	37,800.00	Machinery & Equipment
NSK Precision America, Inc	13-18	132628	Shaft Turning Collet Replacement	02/01/2016	36,297.00	Molds, Dies, Jigs & Tools
NSK Precision America, Inc	13-18	132702	MM930N-BC Nut/Shaft Inspection Machine	03/16/2013	35,418.00	Machinery & Equipment
NSK Precision America, Inc	13-18	132623	NPA AUTOGRINDER GN30B SPINDLE	01/01/2014	35,200.00	Machinery & Equipment
NSK Precision America, Inc	13-18	132245	Mitutoyo LRM #1 NTG	05/16/2015	33,458.50	Machinery & Equipment
NSK Precision America, Inc	13-18	132554	Mitutoyo LRM #2 Lead	05/16/2015	32,534.00	Machinery & Equipment
NSK Precision America, Inc	13-18	132614	Vistamation Raw Steel Racking	04/16/2015	30,400.79	Machinery & Equipment
NSK Precision America, Inc	13-18	132341	Buss Replacement	02/01/2016	29,575.00	Machinery & Equipment
NSK Precision America, Inc	13-18	132485	M9 Line #5 NQ Cut Saw	08/16/2016	25,799.00	Machinery & Equipment
NSK Precision America, Inc	13-18	132344	DS-3200 4-Channel FFT Analyzer	06/16/2015	23,371.00	Machinery & Equipment
NSK Precision America, Inc	13-18	132408	NTG Tilt Spindles (Qty 3)	04/16/2015	23,144.24	Molds, Dies, Jigs & Tools
NSK Precision America, Inc	13-18	132792	M9 Line #1	08/16/2016	21,738.00	Machinery & Equipment
NSK Precision America, Inc	13-18	132403	SS1000 Grinder/Polisher for HTQ	04/16/2015	12,390.61	Machinery & Equipment
NSK Precision America, Inc	13-18	132697	Bander #1	06/16/2015	10,832.75	Machinery & Equipment
NSK Precision America, Inc	13-18	132325	Vacuum Sealer #1	06/16/2015	10,832.75	Machinery & Equipment
NSK Precision America, Inc	13-18	132326	Vacuum Sealer #2	06/16/2015	10,832.75	Machinery & Equipment
NSK Precision America, Inc	13-18	132327	Bander #2	06/16/2015	10,832.75	Machinery & Equipment
NSK Precision America, Inc	13-18	132328	Shafter and Nut Part Marking #2	04/16/2015	9,314.90	Machinery & Equipment
NSK Precision America, Inc	13-18	132404	Shafter and Nut Part Marking #1	04/16/2015	9,314.90	Machinery & Equipment
NSK Precision America, Inc	13-18	132412	20" EVERETT WET ABRASIVE PH OSCILLATION CUT OFF M/	06/01/2014	5,809.81	Machinery & Equipment

11,154,973.03