



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 2024-32: NSK Precision America 22-09

Summary:

- On May 16th, 2022, the Franklin Common Council passed Resolution No. 2022-09, approving a 10-year tax abatement with a 2% economic development fee on real 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	160	160	0
Salaries	\$5,990,400	\$21,642,720	\$15,652,320
New Employees	49	30	-19
Salaries	\$1,834,560	\$4,058,010	\$2,223,450
Total Employees	209	190	-19
Total Salaries	\$7,824,960	\$25,700,911	\$17,875,951
Average Hourly Salaries	\$18.00	\$65.03	\$47.03
Real Property Improvements	\$1,882,000	\$527,884	-\$1,354,116

- The company indicated on their SB-1 they would add \$1,882,000 investment in real property to their facility. The work is just beginning and investment will be shown in the next compliance report. In 2023 they began their investment in equipment and are on track to complete the investment by 2026.
- In 2022 the company was 62 employees short, 40 of which will not be hired until the new expansion is complete. In 2023 they increased their hiring and are down by 19, however, wages are significantly higher than estimated.
- The completion date approved on their SB-1 Form was March 31, 2026. The personal property tax abatement is scheduled to expire in tax year 2036 payable in 2037. Their last year for compliance review will be 2036.

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:

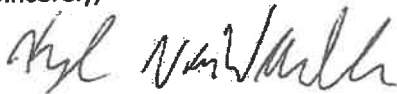
Enclosed please find Form CF-1 (Compliance with Statement of Benefits) regarding compliance with the real and personal property tax abatements which were granted to NSK Precision America, Inc in 2013 and 2022 under Franklin Common Council Resolution No. 13-18, 2022-09 and 2022-10.

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 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:

1. This form does not apply to property located in a residentially distressed area. (IC 6-1.1-12.1-2 (b))
2. 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).
3. This form must accompany the initial deduction application that is filed with the County Auditor.
4. 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)
5. 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))
6. 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 Precision America Inc			
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 2022-09	
Location of property 3450 Bearing Drive		County Johnson	DLGF taxing district number 41009
Description of real property improvements: Investments in real property improvements and personal property (machinery & equipment/tooling) will be made from 2022-2026			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		160	190
Salaries		5,990,400.00	25,700,911.00
Number of employees retained		160	190
Salaries		5,990,400.00	25,700,911.00
Number of additional employees		49	
Salaries		1,834,560.00	
SECTION 4 COST AND VALUES			
COST AND VALUES		REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1	COST	ASSESSED VALUE	
Values before project		2,990,400.00	
Plus: Values of proposed project	1,882,000.00		
Less: Values of any property being replaced			
Net values upon completion of project			
ACTUAL	COST	ASSESSED VALUE	
Values before project		2,990,400.00	
Plus: Values of proposed project	527,884.00	158,365.00	
Less: Values of any property being replaced			
Net values upon completion of project		3,148,765.00	
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 		Title Tax Agent	Date signed (month, day, year) 3/22/2024

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 6-1.1-12-5.1)

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. A copy of the notice will be sent to 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.
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 and (2) the County Auditor.

We have reviewed the CF-1 and find that:

☐ the property owner **IS** in substantial compliance

☐ the property owner **IS NOT** in substantial compliance

☐ 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

☐ AM
☐ PM

Date of hearing (month, day, year)

Location of hearing

HEARING RESULTS (to be completed after the hearing)

☐ Approved

☐ 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

APPEAL RIGHTS [IC 6-1.1-12.1-5.9(e)]

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 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	2022-09	151378	B-4 Truck Dock (FAC) (NPA) (2022)	5/26/2023	243,481.00	Real Property
NSK Precision America, Inc	2022-09	153148	B-4 Truck Dock Overspend (FAC) (NPA) (2022)	5/26/2023	190,770.00	Real Property
NSK Precision America, Inc	2022-09	153162	XY Production Increase (NPA) (2022) (EQPT)	5/23/2023	49,733.00	Real Property
NSK Precision America, Inc	2022-09	150641	Rooftop Replacements #6 and #7 (FAC) (NPA) (2021)	7/6/2022	43,900.00	Real Property
					527,884.00	