



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 2024-33: NSK Precision America 22-10

Summary:

- On May 16th 2022, the Franklin Common Council passed Resolution No. 2022-10, 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	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
Personal Property Improvements	\$7,183,000	\$107,366	-\$7,075,634

- The company indicated on their SB-1 they would add \$7,183,000 investment in personal property to their facility. In 2022 the work is just beginning and the full investment would be shown in the next 2 compliance reports. In 2023 the company had invested \$357,186 and is on track to complete the investment on time.
- In 2022 the company was 62 employees short. In 2023 they were down by 19 but wages are up significantly. They are on track to be at full employment by the deadline of 2026.
- The completion date approved on their SB-1 Form is 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 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	2022-10
Location of property	3450 Bearing Drive, Franklin, IN 46131	Estimated start date (month, day, year)	5/1/2022
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	Actual start date (month, day, year)	
		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		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	
		MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT		
AS ESTIMATED ON SB-1		COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	
Values before project										
Plus: Values of proposed project		7,183,000.00	2,154,900.00							
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		1,190,619.00	357,186.00							
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		Title	Tax Agent	Date signed (month, day, year)
<i>NSK Precision America, Inc</i>				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 6-1.1-12.1-5.9)

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 IS in substantial compliance <input type="checkbox"/> the property owner IS NOT 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
HEARING RESULTS (to be completed after the hearing)			
<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	
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 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	2022-10	153521	NPA PYT (Computer equipment)	4/1/2023	436,385.25	PCs and Equipment
NSK Precision America, Inc	2022-10	151082	BSS MACHINE (EQPT) (NPA) (2022)	5/23/2023	284,859.15	Machinery & Equipment
NSK Precision America, Inc	2022-10	154162	Access Control - Badge System Upgrade (H&S NPA) (F	4/1/2023	193,333.37	Machinery & Equipment
NSK Precision America, Inc	2022-10	151704	Andover System Upgrade (NPA)(2022)?	5/23/2023	73,276.00	Machinery & Equipment
NSK Precision America, Inc	2022-10	152582	Andover System Upgrade (NPA)(2022)	3/3/2023	67,189.00	Machinery & Equipment
NSK Precision America, Inc	2022-10	146166	Air Compressor Monitoring (EQPT) (NPA) (2021)	12/22/2022	64,335.59	Machinery & Equipment
NSK Precision America, Inc	2022-10	151057	Air Compressor Upgrade B-4 (EQPT) (NPA) (2021)	12/15/2022	27,514.31	Machinery & Equipment
NSK Precision America, Inc	2022-10	150137	SMP Leco Saw and Maintenance tool machine (EQPT) (7/6/2022	27,126.41	Machinery & Equipment
NSK Precision America, Inc	2022-10	150863	Non-Ferrous Upcut Circular Cold Saw (EQPT) (NPA) (7/6/2022	12,600.00	Machinery & Equipment
NSK Precision America, Inc	2022-10	150642	EDM Machine (EQPT) (NPA) (2022)	7/6/2022	4,000.00	Machinery & Equipment
					1,190,619.08	