



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Staff Report

To: Economic Development Commission Members
From: Dana Monson, Community Development Specialist
Date: September 18, 2023
Re: Case EDC 2023-07 – NSK Corporation

Case EDC 2022-03 – NSK Corporation: A request for a 10-year tax abatement on \$14,900,000 of personal property investment.

Location: 3400 Bearing Drive

Summary:

- Characteristics of this location:
Existing Location – 3400 Bearing Drive 41-05-34-042-008.000-009



- Characteristics of this petitioner:
The NSK Corporation Bearing Plant sells automotive bearing products for the automotive and industrial markets. This includes wheel hub and taper roller bearings. The Franklin Bearing Plant initially started in 1991 as a machining center. In 1993, it expanded, adding grinding and assembly operations for generation hub I, II, III, and taper roller bearings. The Franklin facility includes a distribution center handling incoming raw materials and shipping of finished goods. Corporate support functions, such as sales, marketing, application engineering, customer service, and

administrative/financial functions, are located in Ann Arbor, Michigan. NSK has over 85 years of experience in design, development, and manufacturing of nearly every kind of anti-friction bearing.

3. Characteristics of this project:

NSK is investing in new equipment in order to ensure the facility and its workforce stays competitive in the industrial sector.

4. Economic Revitalization Area (ERA):

This property was designated an ERA by Resolution 2013-20 and confirmed by Resolution 2013-21.

5. Previous Tax Abatement Received:

NSK Corporation has received several previous tax abatements. The company currently has two personal property tax abatements, one 10-year Personal Property Abatement with a 5% Economic Development Fee through Resolution 2013-20 and 2013-21, a 10-year Personal Property Abatement with a 5% Economic Development Fee through Resolution 16-19 and a 10-year real property abatement with a 5% Economic Development Fee and a 10-year personal property abatement with a 2% Economic Development Fee through Resolution 22-07 and Resolution 22-08.

6. ERA & Tax Abatements Findings (Personal Property):

Indiana Code Section 6-1.1-12.1-4.5 states that the following findings must be made when considering an ERA designation and the granting of tax abatement for personal property:

- a. Whether the estimate of the cost of new manufacturing equipment is reasonable for equipment of that type;
- b. Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the instillation of new manufacturing equipment;
- c. Whether the estimate of annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new manufacturing equipment;
- d. Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the installation of the new manufacturing equipment; and
- e. Whether the totality of the benefits is sufficient to justify the tax abatement.

7. City of Franklin "Tax Abatement Policy" criteria:

The "Tax Abatement Policy" section of the *City of Franklin Community Investment Incentives Summary* states that the Economic Development Commission shall use certain criteria when considering a request for tax abatement. A comparison of those criteria and the proposed request follows:

- a. *Diversification of Local Occupations:* NSK will be retaining 229 full time jobs with this project. Over 56% of their employees are city of Franklin and/or Johnson County residents. There are no new jobs planned for this investment.

- b. *Diversification of Local Employment:* This project will retain a current Franklin company and the jobs that are located at the current plant. While this does not increase the diversification, it does maintain the current level of diverse jobs in the city.
 - c. *Increase in Local Salaries:* The average wage for all industries in Johnson County for 2023 is \$21.75. The average hourly wage in Johnson County for Low/moderate wage is \$14.85 per hour. NSK Corp will pay an average of \$25.00 per hour, above both the county average wage and low/mod wage.
 - d. *Sustainable Land Use:* The petitioner proposes to make this investment at their current location.
 - e. *Future Community Investment:* The applicant should share with the EDC their plans for future community investment. The company is agreeing to a 5% for personal property.
 - f. *Conformance with the Comprehensive Plan:* The Comprehensive Plan - Future Land Use Plan identifies this property as Industrial General. Industrial General zoning permits the following uses: Industrial Uses • agricultural products terminal • dry cleaners (commercial) • food & beverage production • general industrial production • light industrial assembly & distribution • light industrial processing and distribution • power generation facility (commercial) • research and development facility • truck freight terminal • warehouse & distribution facility
 - g. The property is zoned IG, Industrial: General. The "IG," Industrial: General zoning district is intended to provide locations for general industrial manufacturing, production, assembly, warehousing, research and development facilities, and similar land uses. This district is intended to accommodate a variety of industrial uses in locations and under conditions that minimize land use conflicts. This district should be used to support industrial retention and expansion in Franklin.
8. **Tax Abatement Duration:**
The *City of Franklin Community Investment Incentives Summary* provides that longer periods of abatement on real and personal property may be considered for requests of an exceptional nature. The Summary states that development examples of an exceptional nature include projects which:
- a. Create a new plant or product line for an existing manufacturer;
 - b. Creates substantial employment opportunities with higher than average wages;
 - c. Increase substantially property values and the city tax base with minimal impact to city services (police & fire protection, schools, utilities, infrastructure, etc.); and
 - d. Utilize existing public infrastructure (sanitary & storm sewer, roads & streets, drainage facilities, and other utilities).
9. **Requested Effective Year:**
The petitioner has requested that, if approved, the tax abatement be effective for the first year taxes are assessed a an increased assessment rate.

Staff Comments:

The Mayor is supportive of this abatement application based on the company's long relationship with the city and the number of city residents who are employed here. With no new jobs planned, the mayor is supportive of a five-year abatement.



July 25, 2023

Amanda Rubadue, CEcD
Vice President of Economic Development
Aspire Economic Development
66 Water Street, Franklin
Franklin, IN 46131

Re: Property Tax Abatement for NSK Corporation

Dear Amanda Rubadue,

Please find enclosed NSK Corporation ("NSK" or "Company") application for a property tax abatement in the City of Franklin. As outlined in the application, NSK plans to invest an estimated \$14.9M in 2025 in personal property (i.e., machinery & equipment and tooling). In addition, the Company plans to retain 229 full-time jobs with an average wage of \$25 per hour.

Please note, the investment and job retention are being made at:

- 3400 Bearing Drive, Franklin IN. Parcel ID: 41-05-34-042-008.000-009

The remainder of this document is made up of the following exhibits:

- Exhibit 1: Tax Abatement Application
- Exhibit 2: Form SB-1 / I PP (Personal Property)
- Exhibit 3: Job and Wage Description
- Exhibit 4: Employment Phase-In and Investment Schedule
- Exhibit 5: Environmental, Land Use, and Permitting Compliance Affidavit
- Exhibit 6: Map of 3400 Bearing Drive, Franklin IN & Parcel Report from Tax Assessor Website
- Exhibit 7: Company Financial Statement (*NOTE- this file is provided separately due to size*)

The Company understands that retaining jobs and making investments in the community is important to the local economy, and the Company believes the proposed project will contribute significantly. Thus, we respectfully request consideration for a property tax abatement for personal property at the aforementioned location.

If you have any questions or need further information, please feel free to contact our consultant, Card Henderson, at 404-631-2320 or by email at carhenderson@deloitte.com or Tessa Meyette at (734) 846-2491 or by email at meyetttt@nsk-corp.com.

Sincerely,

Brent Parkinson
Treasurer

NSK CORPORATION

4200 Goss Road, Ann Arbor, MI 48105 U.S.A. Phone: 1-734-913-7500 Fax: 1-734-913-7510
Mail to: P.O. Box 134007, Ann Arbor, MI 48113-4007 U.S.A.

Exhibit 1
Tax Abatement Application



CITY OF FRANKLIN

Community Development DEPARTMENT

Tax Abatement Application

Organization/Corporation	Requesting	Tax	Abatement
NSK CORPORATION		Organization/Corporation Name:	
		Primary	Contact
Name:	Tessa Meyette, Accountant		
Contact Address:	PO Box 134007		
City:	Ann Arbor	State:	MI Zip: 48113
Phone Number:	734 846 2491		
Email:	MEYETTT@NSK-CORP.COM		
Three possible dates before the EDC meeting to conduct a site visit: To be coordinated at a later date			
Name of Owner: US Parent: NSK Americas Inc. & Subsidiaries			
Parent Company (If Applicable): Japanese Parent: NSK LTD			

Primary	Contact	for	Yearly	Compliance	Reports
					Name:
Same as above					Title:
					Address:
					City:
					State:
					Zip:
Phone Number:					
Email:					

Description	of	Project
Project Location/Address: 3400 Bearing Drive, Franklin, IN 46131		
Parcel Number: 41-05-34-042-008.000-009		
Brief Description of Project:		
NSK plans to invest an estimated \$24M in machinery & equipment at 3400 Bearing Drive, Franklin, IN.		

Current Assessed Value (AV) of the Property:

- | | |
|--------------|-------------|
| 1. Land | \$1,577,200 |
| 2. Building | \$3,782,600 |
| 3. Inventory | |
| 4. Equipment | |

Have building permits been applied for (if applicable): Yes No

Has equipment been installed (if applicable): Yes No

Required Attachments:

- | | |
|---|--|
| <input type="checkbox"/> Completed SB-1 Form(s) | <input type="checkbox"/> Summary of Benefits (if applicable) |
| <input type="checkbox"/> Legal Description of the Property | <input type="checkbox"/> Employment Phase-In Schedule |
| <input type="checkbox"/> Company Financial Statement | <input type="checkbox"/> Company Investment Timetable |
| <input type="checkbox"/> Job and Wage Description Information Sheet | <input type="checkbox"/> Compliance Affidavit |

Type of Abatement RequestedReal Property ☐Personal Property ☒Length of Abatement Requested: 10 YearsProject Size (square feet): TBDSize of Site (acres): TBD

Type of Building:

Multiple Tenants (leased)

Single Tenant (leased)

Owner Occupied

Corporate Headquarters

Capital Investment

1. Real property capital investment only:

2. Personal property capital investment only:

\$14,940,000

3. Total capital investment for proposed project:

\$14,940,000**Jobs Created and/or Retained**

1. Estimated number of full time jobs created by the proposed project:

2. Estimated number of full time jobs retained as a direct result of the proposed project:

229

3. Total number of full time jobs upon project completion:

229**Wages Created and Retained**

1. Average hourly wage rate for new jobs (w/o benefits)

2. Average hourly wage rate for jobs retained (w/o benefits)

\$25

***In addition to answering these questions, please fill out the Job and Wage Description for Tax Abatement Application information sheet and submit it with the application as an attachment.

Please explain why the abatement incentive is necessary to the project: Attach additional sheets as necessary.

This abatement is necessary to help offset the significant costs NSK will incur as part of its investment at the 3400 Franklin Drive plant. The investment is being made to help ensure the facility and its workforce stays competitive in the industrial and automotive sector.

Company InformationHow long has the company been in existence? 25 YearsCurrent address of company headquarters and duration at that address:
PO Box 134007, Ann Arbor, MI 48113

Approximate percentage of employees at current location who live in the City of Franklin and/or Johnson County:

56%Have you ever received tax abatement at your current location? Yes No

If yes, when and for what term?

2012, 2013, 2016 & 2022

What specifically has the company done to give back to the community:

NSK has supported Johnson County and Franklin College donating to support the college programsand operations. In addition, NSK is a Gold member of the Johnson County Community Foundation (JCCF)

While acting as a strong advocate for using economic incentives to help applicants expand and/or locate in the community, the City of Franklin also strives to enrich the quality of life for its citizens. To that end, the City embraces the use of voluntary economic development fees as allowed under Indiana law (IC 6-1.1-12.1-14). These fees are directed by the City to local nonprofit organizations to bolster their economic development efforts. The fee can be applied on both real and personal property abatements. The fee is collected annually by the County Treasurer as a special assessment on the tax bill and is distributed by the City to the designated economic development nonprofit organization. Typically, 2% is charged on Real Property and 5% is charged on Personal Property. The fee is a percentage of the abatement received. For example, instead of receiving 100% abatement in the first year, the company receives a 95% abatement, with the 5% difference going to support local economic development. More information can be found on the City's website (www.franklin.in.gov) under the Economic Development tab.

Is the company agreeable to the Economic Development Fee? Yes No

If yes, at what percent(s)?

5%

Exhibit 2
Form SB-1 / I PP (Personal Property)



STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51764 (R / 1-06)

Prescribed by the Department of Local Government Finance

FORM SB-1 I PP

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).

INSTRUCTIONS:

1. This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body BEFORE a person installs the new manufacturing equipment and/or research and development equipment, and/or logistical distribution equipment and/or information technology equipment for which the person wishes to claim a deduction. "Projects" planned or committed to after July 1, 1987, and areas designated after July 1, 1987, require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
2. Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to installation of the new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment, BEFORE a deduction may be approved
3. To obtain a deduction, a person must file a certified deduction schedule with the person's personal property return on a certified deduction schedule (Form 103-ERA) with the township assessor of the township where the property is situated. The 103-ERA must be filed between March 1 and May 15 of the assessment year in which new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment is installed and fully functional, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between March 1 and the extended due date of that year.
4. Property owners whose Statement of Benefits was approved after June 30, 1991, must submit Form CF-1 / PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
5. The schedules established under IC 6-1.1-12.1-4.5(d) and (e) apply to equipment installed after March 1, 2001. For equipment installed prior to March 2, 2001, the schedules and statutes in effect at the time shall continue to apply. (IC 6-1.1-12.1-4.5(f) and (g))

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 Tessa Meyette				Telephone number (734) 846-2491				
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT								
Name of designating body City of Franklin				Resolution number (s)				
Location of property 3400 Bearing Drive			County Johnson		DLGF taxing district number			
Description of manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment. (use additional sheets if necessary) Investments in machinery & equipment is estimated to be made in 2025				ESTIMATED				
				START DATE		COMPLETION DATE		
				Manufacturing Equipment		1/1/2025	12/31/2025	
				R & D Equipment				
				Logist Dist Equipment				
IT Equipment								
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT								
Current number 229	Salaries \$25 per hour	Number retained 229	Salaries \$25 per hour	Number additional N/A	Salaries N/A			
SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT								
NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Current values								
Plus estimated values of proposed project	\$14,940,000							
Less values of any property being replaced								
Net estimated values upon completion of project								
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER								
Estimated solid waste converted (pounds) _____			Estimated hazardous waste converted (pounds) _____					
Other benefits:								
SECTION 6 TAXPAYER CERTIFICATION								
I hereby certify that the representations in this statement are true.								
Signature of authorized representative 			Title TREASURER		Date signed (month, day, year) 7/25/23			

FOR USE OF THE DESIGNATING BODY

We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

A. The designated area has been limited to a period of time not to exceed _____ calendar years * (see below). The date this designation expires is _____.

B. The type of deduction that is allowed in the designated area is limited to:

- | | |
|--|--|
| 1. Installation of new manufacturing equipment; | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 2. Installation of new research and development equipment; | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 3. Installation of new logistical distribution equipment. | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 4. Installation of new information technology equipment; | <input type="checkbox"/> Yes <input type="checkbox"/> No |

C. The amount of deduction applicable to new manufacturing equipment is limited to \$ _____ cost with an assessed value of \$ _____.

D. The amount of deduction applicable to new research and development equipment is limited to \$ _____ cost with an assessed value of \$ _____.

E. The amount of deduction applicable to new logistical distribution equipment is limited to \$ _____ cost with an assessed value of \$ _____.

F. The amount of deduction applicable to new information technology equipment is limited to \$ _____ cost with an assessed value of \$ _____.

G. Other limitations or conditions (specify) _____

H. The deduction for new manufacturing equipment and/or new research and development equipment and/or new logistical distribution equipment and/or new information technology equipment installed and first claimed eligible for deduction on or after July 1, 2000, is allowed for:

- | | | |
|-------------------------------------|--------------------------------------|--|
| <input type="checkbox"/> 1 year | <input type="checkbox"/> 6 years | ** For ERA's established prior to July 1, 2000, <u>only</u> a 5 or 10 year schedule may be deducted. |
| <input type="checkbox"/> 2 years | <input type="checkbox"/> 7 years | |
| <input type="checkbox"/> 3 years | <input type="checkbox"/> 8 years | |
| <input type="checkbox"/> 4 years | <input type="checkbox"/> 9 years | |
| <input type="checkbox"/> 5 years ** | <input type="checkbox"/> 10 years ** | |

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved: (signature and title of authorized member)	Telephone number ()	Date signed (month, day, year)
Attested by:	Designated body	

* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.1-12.1-4.5

Exhibit 3
Job and Wage Description

**JOB AND WAGE DESCRIPTION
FOR TAX ABATEMENT APPLICATION**

Please provide the following job and wage earning information that is associated with this Tax Abatement Petition (*Please specify all wages in an hourly format without benefits*):

- (1) Company NAICS code: 332991.
- (2) The total number of jobs current at the site: 229, the number of those jobs that will be retained as a direct result of the proposed investment 229, and the number of new jobs which will be created as a direct result of the proposed investment N/A.
- (3) The total number of full-time employees at the site: 229.
- (4) The total number of temporary and/or contract employees currently at the site: Minimal, and not included in any headcount provided above
- (5) The average hourly wages for the new jobs: N/A.
- (6) Will the new jobs being created begin as temporary and/or contract employees? No
If yes, please provide an explanation of the typical transition process to full time:

(7) Number of new and/or retained jobs in:

- (a) Managerial/Professional Specialty Occ.: _____ Average Hourly Wage: _____
- (b) Technical/Sales/Admin. Support Occ.: _____ Average Hourly Wage: _____
- (c) Service Occ.: _____ Average Hourly Wage: _____
- (d) Precision Production/Craft/Repair Occ.: _____ Average Hourly Wage: _____
- (e) Operators/Fabricators/Laborers: 229 Average Hourly Wage: \$25

Note: The total number of jobs specified above should correspond with the Statement of Benefits Form SB-1.

- (8) Attach detailed information on the types of benefits offered for new employees. A description of all possible bonuses and incentives should also be given if provided.

Exhibit 4
Employment Phase-In and Investment
Schedule

NSK Corporation
3400 Bearing Drive, Franklin, Indiana 46131, U.S.A.
Franklin CAPEX & Headcount
All CAPEX amounts in '000

Category / FY	CY23	CY24	CY25	CY26
Building Improvements	\$ -	\$ -	\$ -	\$ -
M&E	\$ -	\$ -	\$ 14,940	\$ -
Tooling	\$ -	\$ -	\$ -	\$ -
Office Equipment	\$ -	\$ -	\$ -	\$ -
Software	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ 14,940	\$ -

Cumulative Headcount at Y/E	Current	CY24	CY25	CY26
	229	229	229	229

Exhibit 5
Environmental, Land Use, and
Permitting Compliance Affidavit

**ENVIRONMENTAL, LAND USE, AND
PERMITTING COMPLIANCE AFFIDAVIT**

I, BRENT PARILINSON, (representative) on behalf of NSK CORPORATION (company) represent that, except to the extent that the City of Franklin has been given written notice of any environmental, chemical, or waste hazards or violations prior to the date of this affidavit, the petition and project plan of NSK CORPORATION (company) does not contemplate, contain, nor anticipate:

- (1) any violation(s) of City of Franklin Municipal codes and/or ordinances;
- (2) any violation(s) of applicable zoning ordinances;
- (3) any violation(s) of site plan review and/or building permit requirements;
- (4) any violation(s) of federal or state laws, including but not limited to OSHA and ADA, and all other regulations regarding safety, land use, and access;
- (5) any violation(s) of federal or state laws, including but not limited to the creation, maintenance, utilization, control, handling, existence, and/or disposal of hazardous waste, chemicals, conditions, equipment, materials, entities, or components as defined under federal and/or state law.

Further, NSK CORPORATION (company) states that the construction and operation of the proposed facility will in no way result in any discharges which will result in interruptions, inconsistencies, or failures in the operation of the Franklin Wastewater Treatment facility. The petitioner understands that the violation of any element of this affidavit may result in the revocation of any tax abatements or other economic incentives which may have been granted by the City of Franklin.

[Signature]
Petitioner

7/25/23
Date

STATE OF INDIANA

COUNTY OF Franklin - Johnson SS:

Subscribed and sworn to before me on this 25 Day of July, 2023.

My Commission Expires: 6-11-29

[Signature]
Notary Public

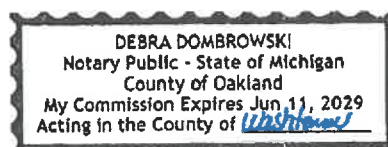


Exhibit 6
Map & Parcel Report from
Tax Assessor Website

Exhibit A

The property is located at 3400 Bearing Drive, Franklin Indiana. The legal description for the property is:

Parcel I:

A part of the South half of Section 34, Township 13 North, Range 4 East of the Second Principal Meridian, Johnson County, Indiana, more particularly described as follows:

Commencing at the Southeast corner of Section 34; thence South 89 degrees 17 minutes 00 seconds West on and along the South line thereof a distance of 2119.69 feet to a P.K. nail found; thence North 0 degrees 00 minutes 00 seconds East a distance of 970.06 feet to the Point of Beginning of this description; thence South 89 degrees 10 minutes 30 seconds West a distance of 1458.13 feet to a point on the North bound lane of U.S. Highway No. 31; thence North 16 degrees 04 minutes 00 seconds West on and along said Northbound lane a distance of 400.00 feet; thence North 89 degrees 10 minutes 30 seconds East a distance of 831.25 feet; thence North 0 degrees 13 minutes 30 seconds East a distance of 862.90 feet; thence North 89 degrees 19 minutes 14 seconds East a distance of 1394.56 feet (deed bearing and distance=North 89 degrees 18 minutes 30 seconds East a distance of 1395.15 feet) to a point on the West right-of-way line of the former Penn-Central Railroad (now Conrail); thence South 16 degrees 09 minutes 00 seconds East on and along said West right-of-way line a distance of 891.97 feet to an iron pin found in place; thence South 89 degrees 09 minutes 00 seconds West a distance of 839.00 feet; thence South 0 degrees 00 minutes 00 seconds West a distance of 60.70 feet; thence South 89 degrees 09 minutes 00 seconds West a distance of 69.63 feet (Deed Distance=69.50 feet); thence South 0 degrees 00 minutes 00 seconds West a distance of 323.83 feet (Deed Distance=322.94 feet) to the point of beginning, Containing 43.575 acres, more or less.

Parcel II:

An Easement for the purposes of a sign, utilities and a roadway for the benefit of Parcel I as created by Easement dated March 28, 1980 and recorded April 28, 1980 in Deed Record 222 page 716 over and across the following described real estate:

A part of the Southeast Quarter of Section 34, Township 13 North, Range 4 East of the Second Principal Meridian, Johnson County, Indiana, Described as follows:

Commencing at a point on the South line of said quarter section South 89 degrees 17 minutes West (assumed bearing) a distance of 819.69 feet from the Southeast corner thereof, said point being marked by a railroad spike on the Westerly right of way line of the Penn-Central Railroad; thence continuing on and along last said South line South 89 degrees 17 minutes West 1300.00 feet to a PK nail marking the point of beginning; thence North 00 degrees 00 minutes East 1293.90 feet to an iron pin; thence North 89 degrees 09 minutes East 60.00 feet; thence south 0 degrees 00 minutes West a distance of 1293.90 feet to the South line of said quarter section; thence South 89 degrees 17 minutes West on and along said South line a distance of 60.00 feet to the point of beginning, Containing 1.782 acres, more or less.



Indiana Tax Abatement Results

- Johnson County, FRANKLIN CITY FRANKLIN TWP
- Tax Rate (%): 3.0623
- Project Name: NSK

Personal Property: \$14,900,000

	Abatement Percentage	With Abatement			Without Abatement			Estimated Tax Abatement Savings
		Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	
Year 1	100	\$0	\$0	\$0	\$182,513	(\$3,713)	\$178,800	\$178,800
Year 2	80	\$51,104	\$0	\$51,104	\$255,518	(\$5,198)	\$250,320	\$199,216
Year 3	60	\$76,655	\$0	\$76,655	\$191,639	(\$3,899)	\$187,740	\$111,085
Year 4	40	\$87,606	\$0	\$87,606	\$146,010	(\$2,970)	\$143,040	\$55,434
Year 5	20	\$109,508	\$0	\$109,508	\$136,885	(\$2,785)	\$134,100	\$24,592
Totals		\$324,873	\$0	\$324,873	\$912,565	(\$18,565)	\$894,000	\$569,127



Disclosures

- The abatement calculator is prepared by Baker Tilly Municipal Advisors, LLC, in conjunction with Hoosier Energy, based on current Indiana law. This calculation is intended to provide an ILLUSTRATIVE and PRELIMINARY indication of the level of property taxes and potential property tax savings for a proposed investment based on the assumptions provided by the user and those outlined below. Taxpayers must consult their own tax advisors to determine their actual tax liability and to prepare their required annual Indiana property tax filings. These illustrative calculations should not be relied upon for the purposes of inclusion in legal documents including, but not limited to, incentive agreements or resolutions approving property tax abatement. Please read the Disclosures carefully.
- To be eligible to receive property tax abatements in Indiana, a company must follow a specific application process. Please contact your Hoosier Energy Representative for further guidance.
- Assumes taxes payable 2023 property tax rates, as provided by the Indiana Department of Local Government Finance.
- Real property will be assessed by the appropriate local assessing official. The actual assessed value of a real property improvement will be determined upon completion, and the assessed value may vary materially from the cost of the improvement.
- Real property in Indiana is subject to annual adjustments of assessed value to the market value of the structure based on annual sales data ("Trending").
- In order to be eligible for personal property tax abatement, the property must meet certain criteria defined in the Indiana Code and the Indiana Administrative Code. Taxpayers should consult their tax advisors and/or local officials regarding the eligibility requirements for personal property tax abatement.
- All personal property (equipment) is assumed to be new and is assumed to be depreciated in Pool #2 (5-8 year depreciable life) for property tax purposes. A mixture of new and existing equipment (as well as a mixture of depreciation pools) will produce different tax savings results.
- Assumes a one-time investment in real and personal property. Staggering the investments may have a material effect on the actual value of property tax abatements.
- Includes the calculation of Minimum Value Ratio (MVR) for tax abatement of personal property, which effectively increases the assessed value used in the abatement calculation when the taxpayer is subject to the 30% depreciation floor. The MVR equals the adjusted assessed value at the 30% floor divided by the depreciated assessed value of the equipment.
- The calculation of illustrative personal property tax liability and abatement savings does not account for the presence of any existing in-service personal property that may be owned by the taxpayer. The presence of existing in-service personal property may materially impact these calculations.
- It is assumed that the Circuit Breaker Tax Credit, which limits property tax liability to 3.0% of gross assessed value for commercial and industrial properties, is applied.
- This calculation does not account for the application of the Local Income Tax (LIT) Property Tax Replacement Credit (PTRC) in any jurisdictions in which a LIT PTRC is applicable. The application of the LIT PTRC may reduce the property tax liability and the impact of the Circuit Breaker Tax Credit for a commercial/industrial taxpayer.
- The property tax abatement savings value is an illustrative value based on preliminary information entered into this calculator. Actual abatement savings may differ materially from the results of this calculator based on the timing of the investment, actual assessment of structures upon completion by the local assessing official, differences in depreciation pools for personal property, annual changes in tax rates, changes to Indiana property tax law or regulations, or changes in assessment methodology.

Hoosier Energy's Tax Abatement Estimator was developed with the assistance of **Baker Tilly Municipal Advisors, LLC**



Personal Property: **\$14,900,000**

	Abatement Percentage	With Abatement			Without Abatement			Estimated Tax Abatement Savings
		Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	Property Taxes	Circuit Breaker Tax Credit	Net Property Taxes	
Year 1	100	\$0	\$0	\$0	\$182,513	(\$3,713)	\$178,800	\$178,800
Year 2	85	\$38,328	\$0	\$38,328	\$255,518	(\$5,198)	\$250,320	\$211,992
Year 3	71	\$55,575	\$0	\$55,575	\$191,639	(\$3,899)	\$187,740	\$132,165
Year 4	57	\$62,784	\$0	\$62,784	\$146,010	(\$2,970)	\$143,040	\$80,256
Year 5	43	\$78,024	\$0	\$78,024	\$136,885	(\$2,785)	\$134,100	\$56,076
Year 6	29	\$97,188	\$0	\$97,188	\$136,885	(\$2,785)	\$134,100	\$36,912
Year 7	14	\$117,721	\$0	\$117,721	\$136,885	(\$2,785)	\$134,100	\$16,379
Totals		\$449,621	\$0	\$449,621	\$1,186,335	(\$24,135)	\$1,162,200	\$712,579



Indiana Tax Abatement Results

- Johnson County, FRANKLIN CITY FRANKLIN TWP
- Tax Rate (%): 3.0623
- Project Name: NSK