



CITY OF FRANKLIN

Community Development Department

Memorandum

To: City of Franklin Economic Development Commission
From: Dana Monson, Community Development Specialist
Date: March 11, 2025
Re: Case C 2025-24: Mitsubishi Turbocharger & Engine America – MTEA (formerly Mitsubishi Engine North America-MENA) 13-07

Summary:

- On March 4th, 2013, the Franklin Common Council passed Resolution No. 2013-07, approving a 10-year tax abatement with a 5% economic development fee for personal property for Mitsubishi, located at 1200 N. Mitsubishi Parkway. On December 16th, 2013, the Franklin Common Council amended this resolution due to a project delay. Resolution 2013-32 amended Resolution 2013-07 and extended the completion date from December 31st, 2014 to October 1st, 2015.
- Actual and estimated benefits, as projected for 2024:

	Estimated on SB-1	Actual in 2024	Difference
New Employees	73	83	+10
Salaries	\$3,114,238	\$4,987,607	+\$1,873,369
Average Hourly Wage	\$20.51	\$28.89	+\$8.38
Personal Property Improvements	\$7,274,375	\$7,321,240	+\$46,865

- The project start date was delayed and the completion date was extended to 10/1/15. This caused the company to adjust the job creation timetable chart.
- MTEA estimated 73 new employees with the purchase of \$7,274,375 in machinery and equipment on the SB-1. They amended the start and completion date through Resolution 2015-32. The company did not meet the estimated number of employees nor the personal property investment by 10/1/15. MTEA invested an additional \$81,150 in personal property in 2017. Personal property investment was \$160,509 less than the SB-1 estimate. In 2018 MTEA invested an additional \$207,374 in personal property. Total employees, hourly wages, and personal property investment exceed SB-1 estimates. In 2019 MTEA exceeded employee and wage numbers substantially. 2020 saw another year of increased employees and greatly increased salaries. 2021 continued the growth of employees and wages. 2022 continued to see growth in employment and much higher wages. 2023 the company met their employee goal and have above estimated wages. They are also above in investment.
- The personal property tax abatement is scheduled to expire in tax year 2024 payable in 2025. Their last year for compliance review will be 2024.
- Staff Recommendation:** Approval

February 21, 2025

City of Franklin

ATTN: Dana Monson

Director – Community Development Specialist

70 East Monroe Street

Franklin, IN 46131

RE; 2024 Tax Abatement Compliance Packet for Mitsubishi Turbocharger and Engine America, Inc

Dear Ms. Monson,

Enclosed please find Forms CF-1/PP – Compliance with Statement of Benefits – Personal Property regarding compliance with the personal property tax abatements which were granted to Mitsubishi Turbocharger and Engine America, Inc. in 2013 under Franklin Common Council Resolution number 2013-07 and was amended on Resolution number 2013-32.

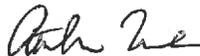
As noted on the enclosed documents, our company has been successful in

1. Making all of the capital investment which had been projected, and
2. Creating the full complement of jobs which had been proposed in the Statement of Benefits (Form SB-1) which was approved on December 20, 2013 and November 20, 2023.

Please review all enclosed documents and if you have any questions or concerns regarding this matter, please contact Linda Brown at (317) 346-5028.

MTEA would like to thank the City of Franklin for continued support in approving our tax abatement compliance request and we respectfully request that the City of Franklin will continue to look favorably on our growth activities and grant this 2024 compliance request relative to Common Council Resolution 13-07, amended to 13-32, for the abatement on taxes for 2024 payable 2025.

Respectfully,



Atsushi Une

Controller



**COMPLIANCE WITH STATEMENT OF BENEFITS
PERSONAL PROPERTY**

State Form 51765 (R7 / 12-22)

Prescribed by the Department of Local Government Finance

PRIVACY NOTICE
This form contains confidential information pursuant to IC 6-1.1-35-9 and IC 6-1.1-12.1-5.6.

FORM CF-1 / PP

20__ Pay 20__

- 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, 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 form (CF-1).

SECTION 1 TAXPAYER INFORMATION								
Name of Taxpayer Mitsubishi Turbocharger and Engine America, Inc. (MTEA)						County Johnson		
Address of Taxpayer (number and street, city, state, and ZIP code) 1200 N. Mitsubishi Parkway; Franklin, IN 46131						DLGF Taxing District Number 41-018		
Name of Contact Person Linda Brown				Telephone Number (317)346-5028		Email Address lbrown@mitsubishi-turbo.com		
SECTION 2 LOCATION AND DESCRIPTION OF PROPERTY								
Name of Designating Body Franklin Common Council				Resolution Number 13-07 amended 13-32		Estimated State Date (month, day, year) 6-1-14		
Location of Property 1200 N. Mitsubishi Parkway; Franklin, IN 46131						Actual Start Date (month, day, year) 6-1-14		
Description of new manufacturing equipment, new research and development equipment, new information technology equipment, or new logistical distribution equipment to be acquired. Equipment and machinery for manufacturing turbochargers						Estimated Completion Date (month, day, year) 10-1-15		
						Actual Completion Date (month, day, year) 10-1-15		
SECTION 3 EMPLOYEES AND SALARIES								
EMPLOYEES AND SALARIES			AS ESTIMATED ON SB-1			ACTUAL		
Current Number of Employees			73			83		
Salaries			\$3,114,238			\$4,987,607		
Number of Employees Retained								
Salaries								
Number of Additional Employees								
Salaries								
SECTION 4 COST AND VALUES								
AS ESTIMATED ON SB-1	MANUFACTURING EQUIPMENT		RESEARCH & DEVELOPMENT EQUIPMENT		LOGISTICAL DISTRIBUTION EQUIPMENT		IT EQUIPMENT	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values Before Project	\$	\$	\$	\$	\$	\$	\$	\$
Plus: Values of Proposed Project	\$ 7,274,375	\$ 7,274,375	\$	\$	\$ 418,750	\$ 418,750	\$ 18,436	\$ 18,436
Less: Values of Any Property Being Replaced	\$	\$	\$	\$	\$	\$	\$	\$
Net Values Upon Completion of Project	\$ 7,274,375	\$ 7,274,375	\$	\$	\$ 418,750	\$ 418,750	\$ 18,436	\$ 18,436
ACTUAL	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Values Before Project	\$	\$	\$	\$	\$	\$	\$	\$
Plus: Values of Proposed Project	\$ 7,274,375	\$ 7,274,375	\$	\$	\$ 418,750	\$ 418,750	\$ 18,436	\$ 18,436
Less: Values of Any Property Being Replaced	\$	\$	\$	\$	\$	\$	\$	\$
Net Values Upon Completion of Project	\$ 7,321,240	\$ 7,321,240	\$	\$	\$ 566,284	\$ 566,284	\$ 194,297	\$ 194,297
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>[Signature]</i>				Title Controller		Date Signed (month, day, year) 02/21/2025		

OPTIONAL: FOR USE BY A DESIGNATING BODY WHO ELECTS TO REVIEW THE COMPLIANCE WITH STATEMENT OF BENEFITS (FORM CF-1)

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

1. 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.
2. 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, including 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.
3. Based on the information presented at the hearing, the designating body shall determine whether or not the property owner has made a 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.
4. If the designating body determines that the property owner has **NOT** made a reasonable effort to comply, 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 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.

Amended Job Creation / Retention TimeTable MTEA

	Manager	Technical/ Administration	Engineer Production related	Operator	Total
Year of Abatement	2013				
1st Quarter					0
2nd Quarter	1 (1)				1 (1)
3rd Quarter	1 (1)				1 (1)
4th Quarter	1 (1)		1 (1)		2 (2)
	3 (3)		1 (1)		4 (4)
Year of Abatement	2014				
1st Quarter					0
2nd Quarter		5 (5)	1 (1)		6 (6)
3rd Quarter				2 (2)	2 (2)
4th Quarter		1 (1)		4 (4)	5 (5)
		6 (6)	1 (1)	6 (6)	13 (13)
Year of Abatement	2015				
1st Quarter	(1)	2 (2)			2 (3)
2nd Quarter	1 (1)	4 (4)		(2)	5 (7)
3rd Quarter	(2)		1 (1)	7 (6)	8 (9)
4th Quarter		2 (3)		18 (13)	20 (16)
	1 (4)	8 (9)	1 (1)	25 (21)	35 (35)
Year of Abatement	2016				
1st Quarter		1 (3)		(11)	1 (14)
2nd Quarter		(2)	(1)	7 (9)	7 (12)
3rd Quarter		(1)		7 (12)	7 (13)
4th Quarter		(1)		6 (11)	6 (12)
	(0)	1 (7)	(1)	20 (43)	21 (51)
Year of Abatement	2017				
1st Quarter			(2)	(6)	(8)
2nd Quarter		(-1)		(-3)	(-4)
3rd Quarter		(-1)		(2)	(1)
4th Quarter		(-1)	(1)	(2)	(2)
	(0)	(-3)	(3)	(7)	(7)
Total	(7)	(19)	(7)	(77)	(110)
Year of Abatement	2018				
1st Quarter	(-1)	(1)	(-1)	(-5)	
2nd Quarter	(1)	(2)		(7)	
3rd Quarter		(3)	(1)	(-10)	
4th Quarter	(-1)	(3)		(-7)	
Total	(-1)	(9)	0	(-15)	
Grand Total	(6)	(28)	(7)	(62)	103
Year of Abatement	2019				
1st Quarter				(1)	
2nd Quarter			(1)	3	
3rd Quarter	1			(14)	
4th Quarter				1	
Total	1	0	(1)	(11)	(11)
Grand Total	(5)	(28)	(8)	(73)	(114)
Year of Abatement	2020				
1st Quarter		1		4	
2nd Quarter		1		2	
3rd Quarter		1		(2)	
4th Quarter				2	
Total	0	3	0	6	9
Grand Total	(5)	(25)	(8)	(67)	(105)
Year of Abatement	2021				
1st Quarter	(1)	1		6	
2nd Quarter		(7)	0	(6)	
3rd Quarter		(2)	(2)	0	
4th Quarter	(2)	0		4	
Total	(3)	(8)	(2)	4	(9)

Grand Total	(8)	(33)	(10)	(63)	(114)
Year of Abatement	2022				
1st Quarter	(1)	2		3	
2nd Quarter	(1)			4	
3rd Quarter		1	2	25	
4th Quarter	(1)			1	
Total	(3)	3	2	33	35
Grand Total	(11)	(30)	(8)	(30)	(79)
Year of Abatement	2023				
1st Quarter	1	1	1		
2nd Quarter	1	(1)	(1)	0	
3rd Quarter		2		0	
4th Quarter				2	
Total	2	2	0	2	6
Grand Total	(9)	(28)	(8)	(28)	(73)
Year of Abatement	2024				
1st Quarter		1		(3)	
2nd Quarter				4	
3rd Quarter		(1)	1	(1)	
4th Quarter			(1)	(10)	
Total	0	0	0	(10)	(10)
Grand Total	(9)	(28)	(8)	(38)	(83)

*** NOTE: Numbers in () are actual new jobs created

Average hourly wages	\$54.08	\$30.93	\$33.88	\$19.32	
Wages + Benefits	\$64.90	\$37.12	\$40.66	\$23.18	
TOTAL WAGES	(\$1,121,402.88)	(\$1,995,356.16)	(\$624,476.16)	(\$1,246,371.84)	(\$4,987,607.04)

Average is coming from active EE as of December 31st

COMPANY INVESTMENT TIMETABLE

	MCCA	MCCA	MTEA	MTEA	MTEA	MTEA	MTEA	MTEA	MTEA	Total
	New Building construction	Existing Building Improvement	New Machinery and Equipment	Special Tooling/Retooling	Logistics Equipment	Other Furniture	New Computer/IT Hardware	New Software	Total	
Year of Abatement	2013	2013	2013	2013	2013	2013	2013	2013	\$0.00	
1st Quarter									\$0.00	
2nd Quarter									\$0.00	
3rd Quarter									\$0.00	
4th Quarter									\$0.00	
Year of Abatement	2014	2014	2014	2014	2014	2014	2014	2014	\$0.00	
1st Quarter			\$1,307,215.38						\$1,307,215.38	
2nd Quarter			\$1,307,215.38						\$0.00	
3rd Quarter			\$2,014,533.05		\$15,283.28		\$18,436.39		\$2,048,252.72	
4th Quarter									\$0.00	
Year of Abatement	2015	2015	2015	2015	2015	2015	2015	2015	\$94,172.68	
1st Quarter			\$85,983.68		\$8,189.00				\$15,799.20	
2nd Quarter			\$17,068.71	\$2,169.90	\$136,560.59				\$1,200,639.44	
3rd Quarter			\$1,167,799.10	\$16,548.99	\$32,840.34				\$69,731.67	
4th Quarter					\$53,182.68					
Year of Abatement	2016	2016	2016	2016	2016	2016	2016	2016	\$107,051.57	
1st Quarter			\$63,825.54		\$17,256.03	\$25,970.00			\$11,263,998.93	
2nd Quarter			\$1,211,587.74		\$52,411.19				\$88,282.32	
3rd Quarter			\$18,543.10		\$65,260.20	\$4,479.02			\$1,271,521.78	
4th Quarter			\$1,146,159.78		\$125,362.00					
Year of Abatement	2017	2017	2017	2017	2017	2017	2017	2017	\$197,141.72	
1st Quarter					\$24,036.60	\$2,194.12			\$170,911.00	
2nd Quarter			\$81,150.00	\$7,000.00		\$65,601.00	\$4,949.90		\$158,700.90	
3rd Quarter					\$35,902.00	\$898.98			\$36,800.98	
4th Quarter						\$14,000.00			\$14,000.00	
Year of Abatement	2018	2018	2018	2018	2018	2018	2018	2018	\$207,374.00	
1st Quarter			\$207,374.00						\$0.00	
2nd Quarter									\$0.00	
3rd Quarter									\$0.00	
4th Quarter									\$0.00	
Year of Abatement	2019	2019	2019	2019	2019	2019	2019	2019	\$8,049,772.29	
Total	\$0.00	\$0.00	\$7,321,240.08	\$25,718.89	\$566,283.91	\$113,143.12	\$23,386.29	\$170,911.00	\$8,049,772.29	
Year of Abatement	2019	2019	2019	2019	2019	2019	2019	2019	\$8,049,772.29	
1st Quarter									\$0.00	
2nd Quarter									\$0.00	
3rd Quarter									\$0.00	
4th Quarter									\$0.00	
Total	\$0.00	\$0.00	\$7,321,240.08	\$25,718.89	\$566,283.91	\$113,143.12	\$23,386.29	\$170,911.00	\$8,049,772.29	

Year of Abatement	2020	2020	2020	2020	2020	2020	2020	2020	
1st Quarter									\$0.00
2nd Quarter									\$0.00
3rd Quarter									\$0.00
4th Quarter									\$0.00
Total	\$0.00	\$0.00	\$7,321,240.08	\$25,718.89	\$566,283.91	\$113,143.12	\$23,386.29	\$170,911.00	\$8,049,772.29
Year of Abatement	2021	2021	2021	2021	2021	2021	2021	2021	
1st Quarter									\$0.00
2nd Quarter									\$0.00
3rd Quarter									\$0.00
4th Quarter									\$0.00
Total	\$0.00	\$0.00	\$7,321,240.08	\$25,718.89	\$566,283.91	\$113,143.12	\$23,386.29	\$170,911.00	\$8,049,772.29
Year of Abatement	2022	2022	2022	2022	2022	2022	2022	2022	
1st Quarter									\$0.00
2nd Quarter									\$0.00
3rd Quarter									\$0.00
4th Quarter									\$0.00
Total	\$0.00	\$0.00	\$7,321,240.08	\$25,718.89	\$566,283.91	\$113,143.12	\$23,386.29	\$170,911.00	\$8,049,772.29
Year of Abatement	2023	2023	2023	2023	2023	2023	2023	2023	
1st Quarter									\$0.00
2nd Quarter									\$0.00
3rd Quarter									\$0.00
4th Quarter									\$0.00
Total	\$0.00	\$0.00	\$7,321,240.08	\$25,718.89	\$566,283.91	\$113,143.12	\$23,386.29	\$170,911.00	\$8,049,772.29
Year of Abatement	2020	2020	2020	2020	2020	2020	2020	2020	
1st Quarter									\$0.00
2nd Quarter									\$0.00
3rd Quarter									\$0.00
4th Quarter									\$0.00
Total	\$0.00	\$0.00	\$7,321,240.08	\$25,718.89	\$566,283.91	\$113,143.12	\$23,386.29	\$170,911.00	\$8,049,772.29