



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 2025-27: Mitsubishi Heavy Industries Climate Control, Inc. 13-29

Summary:

1. On December 16th, 2013, the Franklin Common Council passed Resolution No. 2013-29, approving a 10-year tax abatement with a 2% economic development fee for real property for Mitsubishi, located at 1200 N. Mitsubishi Parkway.
2. Actual and estimated benefits, as projected for 2024: NOTE Please see MTEA employment numbers as they now have the building.

	Estimated on SB-1	Actual in 2024	Difference
Employees Retained	228	0	-228
Salaries	\$8,784,108	\$0	\$8,784,108
New Employees	3	0	-3
Salaries	\$89,793	\$0	-\$89,793
Total Employees	231	0	-231
Total Salaries	\$8,873,901	\$0	-\$8,873,901
Average Hourly Salaries	\$18.47	\$0	-\$18.47
Real Property Improvements	\$1,200,000	\$1,434,851	\$234,851

3. The 23,840-square-foot addition to the north end of the existing Mitsubishi plant was completed in January 2015. MCC has greatly exceeded the estimated real property investment.
4. The company indicates in its cover letter that it currently has 7 open jobs, which would bring the total number of jobs to 201. That is 30 less than estimated. However, the average hourly salary is much higher than estimated. There are also an additional 115 employees at this facility who work for Mitsubishi Turbocharger and Engine North America (MTEA), who are not included in these employment figures. Mitsubishi does not anticipate increasing its overall employee headcount to the originally estimated 231 shortly. In 2018 MCCA employed 194 at an average hourly salary of \$24.29. In 2019 the company had a reduction in employees due to a decrease in customer orders. The count is now 93 with 111 additional employees in the facility as employees of MTEA. In 2020 the company announced that the MHICC portion of the business would be closing due to a loss of a major contract. However, the MTEA portion of the business will remain and currently has 79 employees at this facility. In 2025 MTEA has 86 employees

5. The real 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. This abatement was an incentive specifically to bring MTEA to the city of Franklin. This was accomplished and the investment was made. MTEA has 86 employees working at this facility now with plans to bring more employment this year.

February 26, 2025

City of Franklin
Dana Monson, Community Development Specialist
70 E. Monroe Street
Franklin, IN 46131

Re: Mitsubishi Heavy Industries America, Inc.
1200 N. Mitsubishi Parkway
City of Franklin Resolution Numbers 2013-06 and 2013-29

Ms. Monson:

Enclosed please find Indiana Form CF-1 (Compliance with Statement of Benefits for Real Estate Improvements) for Mitsubishi Heavy Industries America, Inc (MHIA). The real property resolutions granting tax abatements for the building expansion at 1200 N. Mitsubishi Parkway (Franklin facility) were originally granted to Mitsubishi Heavy Industries Climate Control, Inc. (MCCA). The Franklin facility was transferred from MCCA to MHIA in 2021 when MCCA ceased manufacturing operations.

MHIA no longer maintains operations at this location. Instead, the expanded portion of the Franklin facility is occupied by Mitsubishi Turbocharger and Engine America, Inc (MTEA) for its turbocharger production lines. MTEA's manufacturing operations and the associated employees utilize the expanded facility, and the continued operations and level of employment satisfies the purpose of the abatement. MTEA separately reports the employment information for compliance with the abatement requirements.

Should you need any additional information or have any questions, please contact Deepkiran Dhanjal at 713-427-9352.

Sincerely,

Mitsubishi Heavy Industries America, Inc.

By 

Shuji Toyonaga, Treasurer

Enclosures

1. CF-1 Res. 2013-06 25pay26
2. CF-1 Res. 2013-29 25pay26



COMPLIANCE WITH STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51766 (R6 / 4-23)

Prescribed by the Department of Local Government Finance

20 25 PAY 20 26

FORM CF-1 / Real Property

INSTRUCTIONS:

1. 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 (Form SB-1/Real Property).
2. This form must accompany the initial deduction application (Form 322/RE) that is filed with the county auditor.
3. This form must also be updated each year in which the deduction is applicable. It is filed with the county auditor and the designating body before May 15 or by the due date of the real property owner's personal property return that is filed in the township where the property is located. (IC 6-1.1-12.1-5.3(j))
4. With the approval of the designating body, compliance information for multiple projects may be consolidated on one (1) compliance form (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 6-1.1-12.1-5.3 (k) and (l).

SECTION 1		TAXPAYER INFORMATION	
Name of Taxpayer Mitsubishi Heavy Industries America, Inc		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 Deepkiran Dhanjal	Telephone Number (713) 427-9352	Email Address deepkiran.dhanjal@mhia.com	
SECTION 2		LOCATION AND DESCRIPTION OF PROPERTY	
Name of Designating Body Franklin Common Council	Resolution Number 2013-29	Estimated Start Date (month, day, year) 3/1/14	
Location of Property 1200 N. Mitsubishi Parkway		Actual Start Date (month, day, year) 3/1/14	
Description of Real Property Improvements New construction - approx. 23,840 square feet of new building added onto north end of existing building		Estimated Completion Date (month, day, year) 9/30/14	
		Actual Completion Date (month, day, year) 1/16/15	
SECTION 3		EMPLOYEES AND SALARIES	
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current Number of Employees		228	TO BE PROVIDED BY MTEA
Salaries		8,748,108	TO BE PROVIDED BY MTEA
Number of Employees Retained		228	TO BE PROVIDED BY MTEA
Salaries		8,748,108	TO BE PROVIDED BY MTEA
Number of Additional Employees		3	TO BE PROVIDED BY MTEA
Salaries		89,793	TO BE PROVIDED BY MTEA
SECTION 4		COST AND VALUES	
COST AND VALUES		REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1		COST	ASSESSED VALUE
Values Before Project	\$ 6,681,593		\$
Plus: Values of Proposed Project	\$ 1,200,000		\$
Less: Values of Any Property Being Replaced	\$		\$
Net Values Upon Completion of Project	\$ 7,881,593		\$
ACTUAL		COST	ASSESSED VALUE
Values Before Project	\$ 6,681,593		\$ 5,087,700 (24PAY25)
Plus: Values of Proposed Project	\$ 1,434,951		\$ 1,320,200 (24PAY25)
Less: Values of Any Property Being Replaced	\$		\$
Net Values Upon Completion of Project	\$ 8,116,444		\$ 6,407,900 (24PAY25)
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		0	0
Amount of Hazardous Waste Converted		0	0
Other Benefits:		0	0
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)

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

INSTRUCTIONS: (IC 6-1.1-12.1-5.3 and IC 6-1.1-12.1-5.9)

1. Not later than 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 (Form SB-1/Real Property).
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. The date of this hearing may not be more than thirty (30) days after the date this notice is mailed. A copy of the notice may be sent to the county auditor and the county assessor.
3. Based on the information presented at the hearing, the designating body shall determine whether or not the property owner has made reasonable efforts to substantially comply with the Statement of Benefits (Form SB-1/Real Property), 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 reasonable efforts to comply, the designating body shall adopt a resolution terminating the property owner's deduction. If the designating body adopts such a resolution, the deduction does not apply to the next installment of property taxes owed by the property owner or to any subsequent installment of property taxes. 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 Franklin Common Council	
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. (Hearing must be held within thirty (30) days of the date of mailing of this notice.)			
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 4 above)	
Reasons for the Determination (attach additional sheets if necessary)			
Signature of Authorized Member			Date Signed (month, day, year)
Attested By		Designating Body Franklin Common Council	
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.			