

RESOLUTION NO. 2018-18

**A RESOLUTION OF THE TOWN COUNCIL
OF THE TOWN OF WHITESTOWN, INDIANA
APPROVING PERSONAL PROPERTY TAX DEDUCTIONS
IN WHITESTOWN ERA #1 UNDER INDIANA CODE 6-1.1-12.1**

NTN BEARING CORPORATION OF AMERICA

WHEREAS, the Town Council of the Town of Whitestown, Indiana (respectively, the “Town Council” and the “Town”), pursuant to Indiana Code 6-1.1-12.1, as amended (the “Act”), and Resolution No. 2005-1, declared an area which is situated within the Town consisting of approximately 188 acres, located generally north of County Road 550 South and between State Road 267 and Indianapolis Road; and east of Indianapolis Road north and south of the interchange of Indianapolis Road, State Road 267 and 1-65, partly in Perry Township and partly in Worth Township, as an economic revitalization area and designated as the Whitestown ERA #1 (the “ERA #1”); and

WHEREAS, the Town Council has been advised by NTN Bearing Corporation of America and/or related entities (the “Applicant”) of a proposed personal property revitalization expansion program (the “Project”) on a site within the ERA #1 at or about 5300 Performance Way in the Town, which is more particularly described in the hereinafter defined Abatement Application (the “Site”); and

WHEREAS, the Project consists of the installation of manufacturing, distribution and IT equipment including bearing manufacturing equipment, work tables, packaging, computers and IT infrastructure (wiring, server racks, switches, etc.) in approximately 280,000 square feet of manufacturing and distribution space on the Site; and

WHEREAS, the Applicant anticipates increases in the assessed value of its personal property by reason of its Project and has requested property tax abatement with respect to such anticipated increases; and

WHEREAS, the Town Council has received from the Applicant an Application for Personal Property Tax Abatement, including the Statement of Benefits on Form SB-1 / Personal Property, attached hereto as Exhibit A and incorporated herein by reference (the “Abatement Application”); and

WHEREAS, the Site is located in an allocation area, as such term is defined in Indiana Code 36-7-14-39, established by the Town Council and the Town of Whitestown Redevelopment Commission (the “Redevelopment Commission”); and

WHEREAS, on March 26, 2018, the Redevelopment Commission adopted its resolution approving the Abatement Application;

WHEREAS, the Town Council has reviewed the information brought to its attention and hereby determines that it is in the best interest of the Town to approve a five (5) year traditional personal property tax deduction for the Project, pursuant to the Act.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF WHITESTOWN, INDIANA, as follows:

1. The Clerk-Treasurer is hereby authorized to make all filings necessary or desirable, to publish all notices required by the Act, and to take all other necessary actions to carry out the purposes and intent of this Resolution and the deductions approved hereunder.

2. The Town Council hereby makes the following affirmative findings in regards to the Abatement Application:

- a. the estimate of the cost of the new manufacturing equipment, new logistical distribution equipment, and/or new information technology equipment is reasonable for equipment of that type;
- b. 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 proposed installation of new manufacturing equipment, new logistical distribution equipment, and/or new information technology equipment;
- c. the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed installation of new manufacturing equipment, new logistical distribution equipment, and/or new information technology equipment;
- d. the other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed installation of new manufacturing equipment, new logistical distribution equipment, and/or new information technology equipment; and
- e. the totality of benefits is sufficient to justify the deductions.

3. As an inducement for the Applicant to invest in the Site, the Abatement Application is hereby approved with the tax abatement schedule approved herein effective upon adoption of this Resolution and subject to the Applicant meeting the following conditions:

- a. The Applicant shall annually file with the Town Council the required Form CF-1/PP, demonstrating its substantial compliance with the investment, wage, and employment estimates set forth in its Statement of Benefits (Form SB-1/ Personal Property) as presented to and approved by the Town Council;
- b. The Applicant shall provide the Town Council an annual update regarding the timing of the construction, acquisition and installation of the Project.

4. The provisions of Indiana Code 6-1.1-12.1-12 are expressly incorporated into this Resolution.

5. The provisions of this Resolution shall be subject in all respects to the Act and any amendments thereto.

6. This Resolution shall take effect upon its adoption, and shall entitle the Applicant to deductions for personal property taxes for the Project as provided in Indiana Code 6-1.1-12.1-4.5 for a period of five (5) years in accordance with the following abatement schedule:

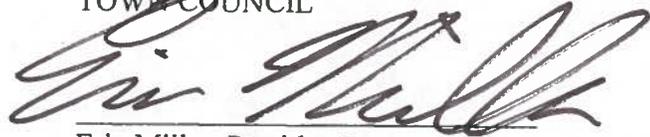
Personal Property Tax Abatement Schedule

<u>Year</u>	<u>% of Assessed Value Exempt From Personal Property Taxes</u>
1	100%
2	80%
3	60%
4	40%
5	20%

Consistent with Indiana law, the first year of abatement for personal property taxes shall commence on the assessment date immediately following installation of the new manufacturing equipment, new logistical distribution equipment, and/or new information technology equipment as described in the Form SB-1/ Personal Property (such form included in the Abatement Application attached hereto as Exhibit A).

Passed and adopted by the Town Council of the Town of Whitestown, Indiana on this 27th day of March, 2018.

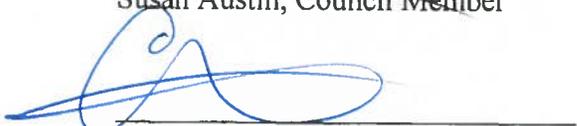
TOWN OF WHITESTOWN, INDIANA
TOWN COUNCIL



Eric Miller, President



Susan Austin, Council Member



Clinton Bohm, Council Member



Jeff Wishek, Council Member

Kevin Russell, Council Member

ATTEST:



Matt Sumner, Clerk-Treasurer



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EXHIBIT A

Abatement Application



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**TOWN OF WHITESTOWN, INDIANA APPLICATION FOR
PERSONAL PROPERTY TAX ABATEMENT**

Instructions and Procedures

Indiana state law requires that this application for personal property tax abatement and statement of benefits form (SB-1/PP) be submitted to the Town of Whitestown, Indiana (the "Town") prior to the initiation of the project. Additionally, final approval of the application must be obtained from the Town before starting the installation of the new manufacturing equipment, research and development equipment, logistical distribution equipment and/or information technology equipment, for which tax abatement is being requested.

The completed application, including all attachments and forms, and fees should be submitted to:

**Town of Whitestown
Attn: Mr. Dax Norton, Town Manager 6210 Veterans
Drive
Room 500
Whitestown, Indiana 46075
Office: (317)732-4530
Mobile: (317)495-5864
E-Mail: dnorton@whitestown.in.gov**

Prior to submitting the attached application to the Town, all questions must be answered as completely as possible and must be signed on the Statement of Benefits Form (SB-1/PP) and the last page of the application. Incomplete or unsigned applications will not be accepted as official filings. All applicants are encouraged to discuss the proposed project and tax abatement request with the Town Manager and/or the Presidents of the Whitestown Redevelopment Commission and Whitestown Town Council prior to filing their application.

Fees

A \$2,000 non-refundable application fee is required when making an application for real property tax abatement and is payable to the "Town of Whitestown" 30 days following the approval of the abatement (the "Application Fee"). In addition, if the applicant is submitting an application for a personal property tax abatement that does not conform with the traditional tax abatement schedule (a "Modified Abatement Schedule"), the applicant may be required to pay an additional fee (the "Modified Abatement Application Fee"). The amount of the Modified Abatement Application Fee will be determined by the Town in its sole discretion based upon all of the facts and circumstances (including the proposed Modified Abatement Schedule). Payment of the Modified Abatement Application Fee shall be made within 30 days of notification in



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writing by Whitestown to the Applicant of the amount of such Modified Abatement Application Fee.

All companies requesting personal property tax abatement will be required to execute a Memorandum of Understanding with the Town prior to consideration of the tax abatement request, the form of which memorandum is included with this application.

Any requests for additional information or questions should be directed to the following:

**Town of Whitestown
Attn: Mr. Dax Norton, Town Manager
6210 Veterans Drive
Room 500
Whitestown, Indiana 46075
Office: (317)732-4530
Mobile: (317)495-5864
E-Mail: dnorton@whitestown.in.gov**



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Town of Whitestown, Indiana Personal
Property Tax Abatement Application
Project Questionnaire

1. Name of the company for which personal property tax abatement is being requested: NTN Bearing Corporation of America and/or related entities

2. State the name, title, address, telephone number and e-mail address of a company representative who may be contacted concerning this application:

Name and Title: Timothy Bell, Manager, Warehouse and Logistics

Address: 1600 East Bishop Court, Mt. Prospect, IL 60056

Telephone: 847-298-7500

E-Mail Address: tbell@ntnusa.com

3. State the name, title, address, telephone number and e-mail address of a company representative responsible for filing the required annual compliance forms (Form CF-1) which will be used by the Town to determine if your company is compliant with the terms of the abatement application, including Form SB-1, and whether the abatement will continue or be terminated (the contact should be made aware of the compliance form's importance).

Name and Title: Same as above

Address: _____

Telephone: _____

E-Mail Address: _____

4. Location of property for which personal property tax abatement is being sought:

a) Street Address: (Est) 5300 Performance Way, Whitestown, IN 46075

b) Tax Parcel Number(s): 06-07-35-000-001.000-020

Attach a legal description and area map of the proposed project location.

5. What is the amount of the most recent assessment attributable to (this information is available on the most recent property tax form) the equipment at the project location:

\$0.00

6. Has this project or tax abatement request been discussed with the President of the Whitestown Redevelopment Commission and/or President of the Whitestown Town Council? Yes No

7. Does your company currently conduct manufacturing operations, research and development, distribution and/or information technology research at this location? If so, how long has your company been at this location?

No

8. Does your business have other operations in Indiana? If so, please list the location of the other operations.

Yes. NTN Driveshaft has locations in Columbus, IN and Anderson, IN.

9. What is the size of the facility in which the equipment will be installed?

NTN will require approximately 280,000 SF of manufacturing and distribution space.

10. On a separate page, briefly describe the (i) product(s) manufactured, (ii) research and development conducted, (iii) the product distribution and/or (iv) the information technology conducted, by your company.

Please see attachment to application.

11. On a separate page, briefly describe the equipment to be installed by your company at the project location.

Please see attachment to application.

12. Has the new equipment been installed (Please note that State statute requires applicants to delay installation until after abatement has been granted)?

Yes No

13. What is the anticipated date for installation to begin? April 2018

14. What is the anticipated date for project completion? December 2018 (equipment installation completion date). Job creation goals to be met by December 2023.



15. Does the equipment being installed serve the same function as the equipment currently in place at the facility?

_____ Yes _____ No X N/A

a) If no, please describe the new functions to be performed by the new equipment:

N/A

b) What is the estimated value of the equipment to be purchased for which personal property tax abatement is being requested? \$2,100,000

16. Complete the following profile of the Company that will occupy the property for which tax abatement is being requested:

a) Number of current full time permanent hourly employees by skill level (include average hourly wage rate excluding benefits and overtime)

Skilled n/a Average hourly wage rate for skilled positions n/a

Semi-skilled n/a Average hourly wage rate for semi-skilled positions n/a

Clerical n/a Average hourly wage rate for clerical positions n/a

Salaried n/a Average salary (per hour) for salaried positions n/a

TOTAL NUMBER OF EXISTING EMPLOYEES (permanent and full-time)
 0

b) Number of current part-time hourly employees by skill level (include average hourly wage rate excluding benefits and overtime)

Skilled n/a Average hourly wage rate for skilled positions n/a

Semi-skilled n/a Average hourly wage rate for semi-skilled positions n/a

Clerical n/a Average hourly wage rate for clerical positions n/a

TOTAL NUMBER OF EXISTING EMPLOYEES (part-time)
 0

c) Approximate value of benefits for existing and new employees on a per hour basis (e.g. benefits are valued at an additional \$3.00 per hour, etc.) The value of benefits are approximately 20% of one's hourly wages.

d) Summary of benefits for existing and new employees.
NTN provides medical, dental and vision benefits as well as substantial training and development, and paid time off.

e) Number of created full-time permanent hourly employees by skill level (include average hourly wage rate excluding benefits and overtime)

Skilled 68 Average hourly wage rate for skilled positions \$17.66

Semi-Skilled n/a Average hourly wage rate for semi- skilled positions n/a

Clerical n/a Average hourly wage rate for skilled positions n/a

Skilled n/a Average hourly wage rate for skilled positions n/a

TOTAL NUMBER OF NEW EMPLOYEES (permanent and full-time)
68

f) Number of created part-time hourly employees by skill level (include average hourly wage rate excluding benefits and overtime)

Skilled n/a Average hourly wage rate for skilled positions n/a

Semi-skilled n/a Average hourly wage rate for semi-skilled positions n/a

Clerical n/a Average hourly wage rate for clerical positions n/a



- g) What is the total dollar amount to be spent on new salaries? \$2,497,830.40
- h) Provide schedule for when new employee positions are expected to be filled.

Year	Net New Employees
2018	53
2019	3
2020	2
2021	3
2022	3
2023	4
TOTAL	68

17. On a separate page, please give a detailed description of what the impact on your business will be if the new equipment is not installed (e.g. loss of jobs, contract cancellations, loss of production, change in location, etc.).

Please see attachment to application

18. What is the term of the tax abatement requested (maximum 10 years). 5 years

19. Attach a schedule of the proposed tax abatement percentages in each year (note, if the proposed tax abatement schedule is other than a traditional tax abatement schedule the Town may impose additional fees for consideration).

We are respectfully requesting a 5 year abatement on personal property investment. Below is a schedule of the proposed 5 year abatement schedule.

Year	% of Assessed Value Exempt From Personal Property Taxes
1	100%
2	80%
3	60%
4	40%
5	20%



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20. Complete the following schedule concerning the proposed personal property taxes to be abated and include on a separate page the worksheets for calculating the figures provided below:

I. Projected Current Conditions Without Abatement

A. Current Annual Personal Property Taxes:	<u>\$0.00</u>
B. Projected 5-Year Total:	<u>\$0.00</u>

II. Projected Conditions With Abatement

A. Projected 5-Year Personal Property Taxes:	<u>\$106,860.00</u>
B. Projected 5-Year Abatement:	<u>\$68,820.00</u>

III. Projected Total (Assumes Abatement Granted)

A. Total Amount Abated:	
B. Total Taxes to be Paid:	<u>\$68,820.00</u>
	<u>\$38,040.00</u>

Note: Attach Worksheets

21. Which approvals or permits will be required for the project?

- | | |
|----------------------|-----------------------|
| (a) zoning change | (e) variance |
| (b) annexation | (f) special exception |
| (c) plat approval | (g) building permit |
| (d) development plan | (h) other _____ |

While final plans are being determined, it is anticipated that no additional approvals or permits will be required for the project.

22. Will additional public infrastructure/facilities be required? If so, please explain in detail costs/funding source and schedule for construction.

Plans are still being developed, but at this time, there are no known additional public infrastructure improvements required for completion of this project.

23. For the proposed project, is the applicant requesting other incentives from the Town (e.g., tax increment financing, economic development revenue bond financing)? If so, please explain. No

24. Please describe any community involvement/contributions the applicant has provided in the past and/or expects to provide in the future. Please see attachment.



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25. Will local suppliers and contractors be used in the construction/operation of the proposed project? If so, please explain. Whenever possible and when economically competitive both Becknell Development and NTN endeavor to utilize local suppliers and contractors.

26. Has the applicant previously been approved for economic development incentives from the Town (e.g., tax abatement, tax increment financing, economic development revenue bond financing)? If so, please explain and include information with respect to applicant's compliance with project representations made to the Town at the time the incentives were approved.

No

27. Is the applicant current on all of its payment obligations to the Town and the County (e.g., property taxes, utility (gas, water, sewer, electric) fees (such as capacity fees, monthly services charges), guaranties on any debt obligations, etc.)?

Yes

28. Does the proposed project take advantage of any "green" technology to reduce adverse environmental impact? If so, please explain.

Whenever possible and economically feasible, equipment and improvement that are considered "green" are considered.

CHECKLIST OF ATTACHMENTS:

- _____ Application Fee (\$1,000)
- _____ Completed Memorandum of Understanding
- _____ Completed Form SB-1/PP
- _____ Legal Description of Project Site
- _____ Area Map of Project Site
- _____ Description of (i) Product(s) Manufactured, (ii) Research and Development, (iii) Product Distribution and/or (iv) Information Technology Conducted, at Site
- _____ Description of Equipment to be Installed at Site
- _____ Description of Impact on Business if Equipment not Installed
- _____ Worksheets for Abatement Calculation

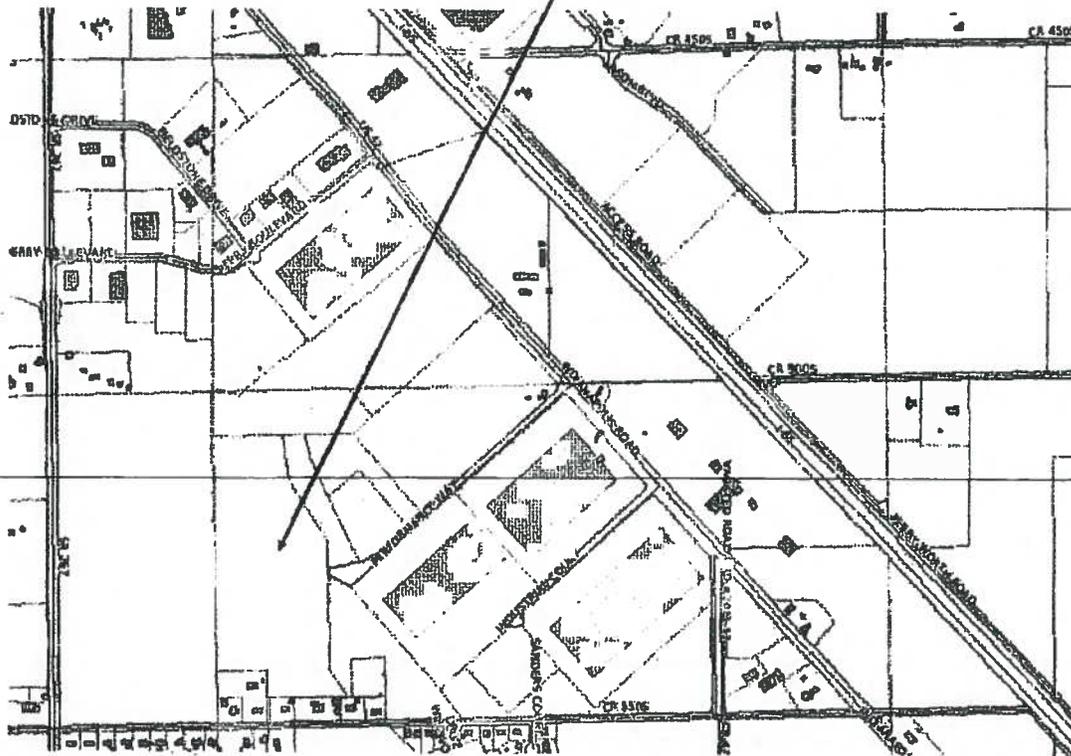
ATTACHMENT TO PERSONAL PROPERTY TAX ABATEMENT APPLICATION
NTN Bearing Corporation of America
3/1/2018

Question #4 – Legal Description of the Property

Parcel Number 06-07-35-000-001.000-020
PERRY INDUSTRIAL PARK III SECTION 2 LOT 6 38.08A

Question #4 – Map of the Property

This is the parcel Becknell is currently constructing on that NTN would move into.



Question #10 – Nature of the Company Business

With quality brand names such as Bower, BCA and SNR, NTN manufactures and supplies the most comprehensive range of bearings, constant velocity joints, and other precision industrial and automotive equipment to meet a variety of applications, across a variety of industries. As the world's third largest bearing manufacturer, NTN has over 65 plants worldwide and nearly 100 years in business. Of all NTN products that are sold in North America, 80% are manufactured in one of the ten plants located in: Illinois, Indiana, Ontario, Alabama, Kentucky, Nevada, Georgia + Michigan.

NTN serves customers is a wide range of industries including food + beverage, construction, wind energy, precision + machine tools, metals manufacturing, mining, agriculture, paper + forestry, oil + gas, and electric motors. NTN provides high-performing bearing products that increase the productivity and efficiency of their clients' operations.



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Question #11 – Proposed Personal Property Purchases and Installation

This project is an extension of NTN's Bearings Division and will require approximately 280,000 SF of manufacturing and distribution space. In Whitestown, to meet their expansion needs, NTN is considering the facility being constructed by Becknell at 5300 Performance Way. In addition to the real estate investment, NTN will also be investing \$2M+ in new bearing manufacturing and distribution equipment to accommodate their growing business needs.

Question #17 – Impact on local community if project does not proceed

Without the expansion into a new location and investment in production equipment, NTN will not be able to expand its operation to most effectively deliver high-performing bearing products that ultimately increase the productivity and efficiency of their clients' operations. Additionally, if the project does not proceed, tax revenue will be foregone as the spec building currently under construction by Becknell will have to continue its search for a fitting occupier.

Question #24 Community Involvement and Funding

NTN's goal is to be a company that everyone appreciates being a part of and strive to be a model corporate citizen, helping develop communities they call home. Most recently, NTN met with state and local leaders in Columbus in an effort to help align educational systems to workforce needs.



**STATEMENT OF BENEFITS
PERSONAL PROPERTY**

State Form 51784 (R4 / 11-15)

Prescribed by the Department of Local Government Finance



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FORM SB-1 / PP

PRIVACY NOTICE

Any information concerning the cost of the property and specific salaries paid to individual employees by the property owner is confidential per IC 6-1.1-12.1-5.1.

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.
2. The statement of benefits form must be submitted to the designating body and the area designated an economic revitalization area before the installation of qualifying abatable equipment for which the person desires to claim a deduction.
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 or with the county assessor if there is no township assessor for the township. The 103-ERA must be filed between January 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 January 1 and the extended due date of that year.
4. Property owners whose Statement of Benefits was approved, must submit Form CF-1/PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
5. For a Form SB-1/PP that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. For a Form SB-1/PP that is approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. (IC 6-1.1-12.1-17)

SECTION 1 TAXPAYER INFORMATION											
Name of taxpayer NTN Bearing Corporation of America and related entities					Name of contact person Timothy Bell						
Address of taxpayer (number and street, city, state, and ZIP code) 1600 E Bishop Court, Mt. Prospect, IL 60056							Telephone number (847) 298-7500				
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT											
Name of designating body Whitestown Town Council							Resolution number (s)				
Location of property (Est) 5300 Performance Way, Whitestown, IN 46075				County Boone		DLGF taxing district number 06020					
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.) Please see attached description of equipment investment.						ESTIMATED					
								START DATE		COMPLETION DATE	
						Manufacturing Equipment		04/01/2018		12/31/2024	
						R & D Equipment					
						Logist Dist Equipment		04/01/2018		12/31/2024	
IT Equipment		04/01/2018		12/31/2024							
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT											
Current number 0		Salaries 0		Number retained 0		Salaries 0		Number additional 68		Salaries \$2,497,830.40	
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											
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							Date signed (month, day, year)				
Printed name of authorized representative Timothy Bell					Title Manager, Warehouse and Logistics						



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NTN Bearing Corporation of America
SB-1 PP Attachment
3/1/18

Investment Information

Investment Schedule:
2018 - \$2,100,000

Investment Type:
Investment of manufacturing, distribution and IT equipment will include bearing manufacturing equipment, work tables, packaging, computers and IT infrastructure (Wiring, Server Racks, switches, etc.). The breakdown between the three categories is not known at this time.

Job Creation Information

Job Creation Schedule:
2018 – total headcount 53
2019 – total headcount 56
2020 – total headcount 58
2021 – total headcount 61
2022 – total headcount 64
2023 – total headcount 68
