INDUSTRIAL DEVELOPMENT BOARD

Special Called Meeting Agenda

July 25, 2024 at 5:00 p.m.
Fred J. White Municipal Building
100 South Russell Street

1. **Call to Order**

2. **Publication of Meeting Notice in the Portland Sun, July 9, 2024**

3. **Roll Call**

4. **Adoption of the Agenda**

5. **Public Comment Period**

   In accordance with Tennessee Public Chapter No. 300 and City Resolution #24-21, public comments are allowed when those comments are germane to actionable agenda items, except where otherwise prohibited; and the number of individuals speaking may be limited to ensure opposing viewpoints are fairly represented. Comments are limited to 5 minutes per individual.

6. **Adoption of Minutes of the meeting held June 24, 2024**

7. **Consideration of a PILOT agreement for Project KeyLime**

8. **Consideration of a PILOT Guideline and application process**

   A. Attachments

9. **Discussion of Training Opportunities**

10. **Other Business Relevant to the Board**

Adjournment

City of Portland, TN Standard PILOT Incentive Schedule

All Projects Are Reviewed On A Case By Case Basis
All Projects Are Reviewed For Community Compatibility

Level 1

Eligibility:

- Minimum capital investment of $500,000
- Creation of at least 25 new FT jobs
- Average wages must meet or exceed State average wage

Real Property Abatement:

- **Year 1**: 100% abatement
- **Year 2**: 50% abatement
- **Year 3**: 35% abatement
- **Year 4**: 20% abatement
- **Year 5**: 0% - Full property taxes due

Personal Property Abatement:

- **Year 1**: 100% abatement
- **Year 2**: 50% abatement
- **Year 3**: 0% abatement - Full taxes due

Level 2

Eligibility:

- Capital investment between $5 million and $40 million
- Creation of at least 35 new FT jobs
- All individual wages must meet or exceed 100% of the State average wage rate

Real Property Abatement:

- **Year 1**: 100% abatement
- **Year 2**: 100% abatement
- **Year 3**: 60% abatement
- **Year 4**: 40% abatement
- **Year 5**: 20% abatement
- **Year 6**: 0% abatement – Full property taxes due

Personal Property Abatement:

- **Year 1**: 100% abatement
- **Year 2**: 100% abatement
- **Year 3**: 0% abatement- Full taxes due

Level 3

Eligibility:

- Minimum capital investment over $40 million
- Creation of at least 50 new FT jobs
- All individual wages must exceed the State average wage rate
- Minimum 15% of employees with wages at least 150% of the State average wage rate

Real Property Abatement:

- **Year 1**: 100% abatement
- **Year 2**: 100% abatement
- **Year 3**: 100% abatement
- **Year 4**: 50% abatement
- **Year 5**: 40% abatement
- **Year 6**: 30% abatement
- **Year 7**: 20% abatement
- **Year 8**: 0% abatement – Full property taxes due

Personal Property Abatement:

- **Year 1**: 100% abatement
- **Year 2**: 100% abatement
- **Year 3**: 50% abatement
- **Year 4**: 0% abatement - Full taxes due

City of Portland, TN Standard PILOT Incentive Schedule

All Projects Are Reviewed on A Case-by-Case Basis
All Projects Are Reviewed for Community Compatibility

Level 1

Eligibility:

- Minimum capital investment of $500,000
- Creation of at least 25 new FT jobs
- Average wages must meet or exceed State average wage

Real Property Abatement:

- **Year 1**: 100% abatement
- **Year 2**: 50% abatement
- **Year 3**: 35% abatement
- **Year 4**: 20% abatement
- **Year 5**: 0% - Full property taxes due

Personal Property Abatement:

- **Year 1**: 100% abatement
- **Year 2**: 50% abatement
- **Year 3**: 0% abatement - Full taxes due

Level 2

Eligibility:

- Capital investment between $5 million and $40 million
- Creation of at least 35 new FT jobs
- All individual wages must meet or exceed 100% of the State average wage rate

Real Property Abatement:

- **Year 1**: 100% abatement
- **Year 2**: 100% abatement
- **Year 3**: 75% abatement
- **Year 4**: 75% abatement
- **Year 5**: 50% abatement
- **Year 6**: 25% abatement
- **Year 7**: 0% abatement – Full property taxes due

Personal Property Abatement:

- **Year 1**: 100% abatement
- **Year 2**: 100% abatement
- **Year 3**: 0% abatement- Full taxes due

Level 3

Eligibility:

- Minimum capital investment over $40 million
- Creation of at least 50 new FT jobs
- All individual wages must exceed the State average wage rate
- Minimum 15% of employees with wages at least 150% of the State average wage rate

Real Property Abatement:

- **Year 1**: 100% abatement
- **Year 2**: 100% abatement
- **Year 3**: 100% abatement
- **Year 4**: 75% abatement
- **Year 5**: 50% abatement
- **Year 6**: 25% abatement
- **Year 7**: 25% abatement
- **Year 8**: 0% abatement – Full property taxes due

Personal Property Abatement:

- **Year 1**: 100% abatement
- **Year 2**: 100% abatement
- **Year 3**: 50% abatement
- **Year 4**: 0% abatement - Full taxes due

City of Portland, TN Standard PILOT Incentive Schedule

All Projects Are Reviewed on A Case-by-Case Basis
All Projects Are Reviewed for Community Compatibility

Level 1

Eligibility:

- Minimum capital investment of $500,000
- Creation of at least 25 new FT jobs
- Average wages must meet or exceed State average wage

Real Property Abatement:

- **Year 1**: 100% abatement
- **Year 2**: 50% abatement
- **Year 3**: 35% abatement
- **Year 4**: 20% abatement
- **Year 5**: 0% - Full property taxes due

Personal Property Abatement:

- **Year 1**: 100% abatement
- **Year 2**: 50% abatement
- **Year 3**: 0% abatement - Full taxes due

Level 2

Eligibility:

- Capital investment between $5 million and $40 million
- Creation of at least 35 new FT jobs
- All individual wages must meet or exceed 100% of the State average wage rate

Real Property Abatement:

- **Year 1**: 100% abatement
- **Year 2**: 50% abatement
- **Year 3**: 40% abatement
- **Year 4**: 30% abatement
- **Year 5**: 20% abatement
- **Year 6**: 0% abatement – Full property taxes due

Personal Property Abatement:

- **Year 1**: 100% abatement
- **Year 2**: 100% abatement
- **Year 3**: 0% abatement- Full taxes due

Level 3

Eligibility:

- Minimum capital investment over $40 million
- Creation of at least 50 new FT jobs
- All individual wages must exceed the State average wage rate
- Minimum 15% of employees with wages at least 150% of the State average wage rate

Real Property Abatement:

- **Year 1**: 100% abatement
- **Year 2**: 100% abatement
- **Year 3**: 60% abatement
- **Year 4**: 50% abatement
- **Year 5**: 40% abatement
- **Year 6**: 30% abatement
- **Year 7**: 20% abatement
- **Year 8**: 0% abatement – Full property taxes due

Personal Property Abatement:

- **Year 1**: 100% abatement
- **Year 2**: 100% abatement
- **Year 3**: 50% abatement
- **Year 4**: 0% abatement - Full taxes due

Portland Industrial Development Board
Portland, Tennessee 37148
100 South Russell Street, Portland, TN 37148

Application for PILOT (Payment in Lieu of Taxes)

Applicant:

Company Name: ______________________________

Type of Entity and State of Organization: ______________________________

Federal Employer Identification Number: ______________________________

City, State and Country of all additional locations ______________________________

Company Representative: ____________________ Title: ______________

Mailing Address: ______________________________

City ______________________________

State: ________ Zip Code: ______________ Telephone: ____________________

E-mail Address: ______________________________

Description of Principal Business:

Does the Entity own other businesses? YES NO

IF so under what name(s)______________________________

City, State and Country of all locations ______________________________

Name & Address of any of the following involved in the project:

Legal Counsel ______________________________

Address ______________________________

Engineer ______________________________

Address ______________________________

Architect ______________________________

Address ______________________________

General Contractor ______________________________

Address ______________________________

Project Overview:

Type of project

- Project Expansion
- Retention/expansion
- New Location

Does the project involve a plant/facility closing? YES NO
If "yes," where is plant/facility moving from and where is it going? ______________________________

Project Location and Ownership ______________________________

Street address: ______________________________

City: ______________________________

County: ______________________________

State: ______________________________ Zip Code: ______________________________

Current property Owner: ______________________________

Current property use: ______________________________

Is the property located in a Portland redevelopment area: YES NO

Is there a brownfield agreement on the site: YES NO

Are there any historic buildings on the site: YES NO

If yes, please describe the history and recognition:

Project Description: Provide a brief description of the intended use for the property after the project is completed.

TAX INFORMATION:

Include latest property tax statement from Sumner and/or Robertson County Assessor's Office (Include both real and existing tangible personal property). All outstanding city and county taxes must be paid in full prior to development assistance requests being approved.

Tax parcel ID number(s) ____________________

Current assessment(s) ____________________

Current tax bill ____________________

City ____________________

County ____________________

Estimated assessment after the project is completed:

City ____________________

County ____________________

Estimated Tax Bill after the project is completed

City ____________________

County ____________________

Current Sales Tax Generation (if applicable) ____________________

Estimated Sales Tax Generation (if applicable) ____________________

INVESTMENT OVERVIEW

New Capital Investment

Year One

Real Property: $____________________
Equipment: $____________________
Other Personal Prop: $____________________

Year Two

Real Property: $____________________
Equipment: $____________________
Other Personal Prop: $____________________

Year Three

Real Property: $______________________________

Equipment: $______________________________

Other Personal Prop: $______________________________

Financing plan description including a statement of sources and use of funds:

CONSTRUCTION TIMELINE ESTIMATE:

Start Date: ____

Completion Date: ____

LABOR NEEDS:

Year One

Full-time: ________________ Estimated wages ________________
Part-time ________________ Estimated wages ________________
Seasonal: ________________ Estimated wages ________________
Management: ________________ Estimated wages ________________

Year Two

Full-time: ________________ Estimated wages ________________
Part-time ________________ Estimated wages ________________
Seasonal: ________________ Estimated wages ________________
Management: ________________ Estimated wages ________________

Year Three

Full-time: ________________ Estimated wages ________________
Part-time ________________ Estimated wages ________________
Seasonal: ________________ Estimated wages ________________
Management: ________________ Estimated wages ________________

Year Four

Full-time: ________________ Estimated wages ________________
Part-time ________________ Estimated wages ________________
Seasonal: ________________ Estimated wages ________________
Management: ________________ Estimated wages ________________

Year Five

Full-time: ________________ Estimated wages ________________
Part-time ________________ Estimated wages ________________
Seasonal: ________________ Estimated wages ________________
Management: ________________ Estimated wages ________________

Number of new jobs

Production ___________ Maintenance ______________ Office _____________ Management ___________

Describe any public benefit not outlined above:

Financial Information:

Attach copies of the most recent, preferably audited financial statements.

Certifications:

This application is made in order to induce the City of Portland, Sumner and/or Robertson County and the Industrial Development Board of the City of Portland to grant financial incentives to the applicant and sponsor. Applicant and sponsor represent and warrant that the statements contained herein or attached hereto are true and correct to the best of their knowledge and include all information materially significant to the board and its consideration of this application.

Applicant agrees to pay all reasonable costs, fees and expenses incurred by the Board in connection with the project described herein and this application, whether or not the financial incentives are granted or the project built.

____

Applicant Print

____

Signature

____

Date

Industrial Development Board
Application for Payment In Lieu Of Taxes
for the City of Gallatin, Tennessee

Date: ____________________

CONTACT INFORMATION

Company Name: ____

Company Address: ____

____

Company Contact: ____
(Name and Title)

Telephone #: ________________________ (Office) ________________________ (Cell)

Email Address: ____

Name of Corporate Attorney: ____

Address: ____

Telephone #: ________________________ (Office) ________________________ (Cell)

Email Address: ____

What type of company is it (LLC, LP, Other)? ______________________________

Describe company's product or services: ____

____

____

Fiscal Year end of company: _____/_____/_____

PROJECT OVERVIEW

Is this project expansion, retention/expansion, or a new location? ______________________

Does the project involve a plant/facility closing? Yes No

If "Yes," where is plant/facility moving from, and where is it going?

____

Current product manufactured: ____

____

INVESTMENT OVERVIEW

New capital investment

Year One

Real Property: $_________________________
Equipment: $_________________________
Other Personal Prop: $_________________________

Year Two

Real Property: $_________________________
Equipment: $_________________________
Other Personal Prop: $_________________________

Year Three

Real Property: $_________________________
Equipment: $_________________________
Other Personal Prop: $_________________________

LABOR NEEDS

Total current company employment at facility: ________________
- Full-time: ________________
- Part-time: ________________
- Seasonal: ________________
- Management: ________________

Year One Total: ________________
- Full-time: ________________
- Part-time: ________________
- Seasonal: ________________
- Management: ________________

Year Two Total: ________________
- Full-time: ________________
- Part-time: ________________
- Seasonal: ________________
- Management: ________________

Year Three Total: ________________
- Full-time: ________________
- Part-time: ________________
- Seasonal: ________________
- Management: ________________

Year Four Total: ________________
- Full-time: ________________
- Part-time: ________________
- Seasonal: ________________
- Management: ________________

Year Five Total: ________________
- Full-time: ________________
- Part-time: ________________
- Seasonal: ________________
- Management: ________________

Estimated date to begin hiring hourly workforce: ____ / ____ / ________

Final hire date: ____ / ____ / ____

Number of new jobs:

________ Production ________ Maintenance ________ Office ________ Management

LABOR NEEDS (continued)

Average hourly wage of existing employees: $________________

Average hourly wage of new hires: $________________

*Employment history (Layoffs): Yes No

If "Yes":

How many layoffs: _________ Dates of Layoffs: ________________________________

**At all facilities. Please state location of each facility affected by layoffs.*

GENERAL CONDITIONS

Applicant will be responsible for attorney fees related to the execution of the PILOT Agreement.

There is a $1,500.00 application fee due and payable to the Gallatin IDB with the application submission. Mail check to:

City of Gallatin
Gallatin IDB - Suite 210
132 West Main Street
Gallatin, TN 37066

You may include the completed application in the mail with the check, or email the completed application to: James.Fenton@gallatintn.gov

ROBERTSON
COUNTY ECONOMIC DEVELOPMENT

Grow in Robertson

PILOT INCENTIVE GUIDELINES
2023-24

Welcome to Robertson County, Tennessee!

Robertson County, Tennessee may be just minutes from Nashville, but one visit will prove that we're miles from ordinary communities. We're connected to Middle Tennessee and the world with two Interstate highways, Class 1 rail, air travel, and a huge fiber infrastructure. We offer world-class healthcare and a community passionate about educational excellence along with the charm of small town living.

ROBERTSON COUNTY, TENNESSEE IS CONVENIENT AND WELL-CONNECTED

Businesses have long chosen Middle Tennessee because our location makes it easier to get to where you need to be, and given that Robertson County is bordered by Interstates 24 and 65, we can put you within a day's drive of 75 percent of the nation's population.

We have direct routes to Nashville, St. Louis, Chicago, Detroit, Memphis, Birmingham, Atlanta, and New York, along with Class 1 rail access to the Port of Charleston, South Carolina, the Gulf of Mexico, St. Louis, Detroit, the St. Lawrence Seaway and points east.

If you prefer to travel even faster, you'll appreciate Springfield/Robertson County Airport's 5,506-foot runway, instrument approach, and jet support. Nashville International (BNA), which handles more than 4.6 million passengers and 87,000 tons of cargo each year, is just 27 miles to our south.

WORKING HARDER BY WORKING SMARTER

Our local labor force of nearly 40,000 is at the heart of a labor market more than half a million strong. As our population grows, local residents welcome business growth that allows them to live and work in the same communities. Their demand for high-quality education has led to a passionate commitment to excellence in our public schools and drawn local classes from Austin Peay State University and Volunteer State Community College, along with an extension of the Tennessee College for Applied Technology - Nashville in Springfield.

A COOPERATIVE, WELCOMING BUSINESS COMMUNITY

Our business community is strong and shares a spirit of collaboration and support. In 2012, more than 50 public and private investors formed and funded Realizing Robertson's Future, a four-year economic development campaign with a $1.2 million program of work dedicated to corporate recruitment, workforce development, infrastructure improvement and existing business support.

ROBERTSON COUNTY TENNESSEE ECONOMIC DEVELOPMENT

405 West Court Square | Springfield TN | t: 615-384-3800

Margot Fosnes | mfosnes@growinrobertson.com | c: 615-308-3380

ROBERTSON
COUNTY ECONOMIC DEVELOPMENT
Grow in Robertson

PILOT Program

As with most communities, Robertson County values high wage jobs and those jobs that will provide training to its employees making them more prepared for advancement into high wage jobs within the company or after moving on. Intangibles, such as training for career advancement, are hard to quantify into an objective tiered incentive plan, but the IDB considers all factors and may grant higher benefits for which a company might seemingly qualify based on intangible value.The PILOT (Payment in Lieu of Tax) program applies to both real and personal property. Unabated, real property is assessed at 40% of value and personal property is assessed at 30% of value. The abatement schedule will apply to both city and county taxes.

The abatements will take affect with the execution of an agreement with the Robertson County Economic Development Board to transfer title and lease back the real and personal property. The company seeking the PILOT incentives is responsible for securing qualified legal representation and for paying the legal costs of the granting Industrial Board.

The guidelines for incentive levels are as follows:

Level 1

Requirements: Company must invest at least $5,000,000 and hire at least 25 full-time employees.

Real Estate Property:	Years of Operation	Amount Reduced
	Year 1	100 percent
	Year 2	100 percent
	Year 3	100 percent
	Year 4	75 percent
	Year 5	75 percent
	Year 6	50 percent
	Year 7	50 percent
Personal/Equipment:		
	Year 1	100 percent
	Year 2	100 percent

ROBERTSON COUNTY TENNESSEE ECONOMIC DEVELOPMENT
405 West Court Square | Springfield TN | t: 615-384-3800 | f: 615-384-1260
Margot Fosnes | mfosnes@growinrobertson.com | c: 615-308-3380

Level 2

Requirements: Company must invest at least $10 million and hire at least 25 full-time employees, or invest at least $5 million and hire at least 50 employees, or invest at least $3 million and hire at least 25 full-time employees and pay an average wage of at least than 125 percent of the state's existing average manufacturing wage per the Tennessee Department of Labor's quarterly census of employment and wages.

Real Estate Property	Years of Operation	Amount Reduced
	Year 1	100 percent
	Year 2	100 percent
	Year 3	100 percent
	Year 4	100 percent
	Year 5	85 percent
	Year 6	70 percent
	Year 7	70 percent
Personal/Equipment		
	Year 1	100 percent
	Year 2	100 percent
	Year 3	100 percent

Level 3

Requirements: Company must invest at least $20 million and hire at least 100 full-time employees, or invest at least $10 million and hire at least 100 full-time employees, or invest at least $5 million, hire at least 25 full-time employees and pay at least 175 percent of the state's existing average manufacturing wage per the Tennessee Department of Labor's quarterly census of employment and wages.

Real Estate Property	Years of Operation	Amount Reduced
	Year 1	100 percent
	Year 2	100 percent
	Year 3	100 percent
	Year 4	100 percent
	Year 5	100 percent
	Year 6	90 percent
	Year 7	80 percent
Personal/Equipment		
	Year 1	100 percent
	Year 2	100 percent
	Year 3	100 percent

Level 4

Requirements: Company must invest at least $20 million and hire at least 250 full-time employees, or invest at least $10 million, hire at least 100 full-time employees and pay at least 175 percent of the state's existing average manufacturing wage per the Tennessee Department of Labor's quarterly census of employment and wages.

Real Estate Property	Years of Operation	Amount Reduced
	Year 1	100 percent
	Year 2	100 percent
	Year 3	100 percent
	Year 4	100 percent
	Year 5	100 percent
	Year 6	100 percent
	Year 7	90 percent
	Year 8	80 percent
	Year 9	50 percent
Personal/Equipment		
	Year 1	100 percent
	Year 2	100 percent
	Year 3	100 percent

Level 5

This level is designed specifically and exclusively for the development of speculative buildings, that is private investors constructing manufacturing and/or distribution buildings for a future, unknown major employer. The PILOT schedule below will end once the building is purchased or leased and a new PILOT will be put in place at the appropriate level for which the company occupying the building qualifies.

Real Estate Property	Years of Investment	Amount Reduced
	Year 1	100 percent
	Year 2	100 percent
	Year 3	100 percent

405 West Court Square | Springfield TN | t: 615-384-3800 | f: 615-384-1260
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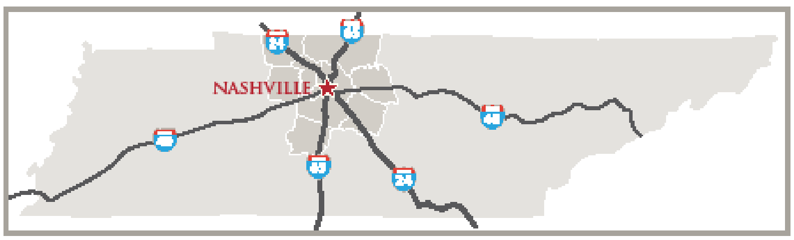
The Industrial Boards take an adjustment-based approach whereby a tiered incentive program is established and annual reviews place the company in the appropriate tier of benefits. The incentive is tied to three criteria – job creation, wages, and investment – and will be reviewed by the IDB each year to ensure that the company's performance is in line with the PILOT benefit it is receiving. If the company underperforms, the PILOT can be adjusted to the appropriate level. Conversely, if the company exceeds projected levels of employment, investment and wages, additional beneifts may be granted.

To begin the process of applying for a PILOT agreement and the ensuing tax abatements, the company should submit a projected business plan detailing:

1. A general overview of the project, and description of proposed local operations.
2. Capital investment (purchase or lease of building, equipment purchases, etc.)
3. Number of jobs projected to be created within the next five years , including a timeline
4. Starting wage levels for production employees and average salary/wage expected in the first twelve months

Please submit the information requested to:

Vonda Gates
Economic Development Director
405 West Court Square
Springfield, TN 37172
615-710-5944
vonda@growinrobertson.com



Distance by Truck

Nashville, TN: 15 miles, 24 km, 19 minutes
Knoxville, TN: 206 miles, 331 km, 3 hours, 10 minutes
Memphis, TN: 239 miles, 384 km, 3 hours 35 minutes
Chattanooga, TN: 142 miles, 228 km, 2 hours 4 minutes
Spring Hill, TN: 54 miles, 87 km, 48 minutes
Smyrna, TN: 38 miles, 61 km, 37 minutes

ROBERTSON COUNTY TENNESSEE ECONOMIC DEVELOPMENT
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RESOLUTION 10-14

A RESOLUTION OF THE CITY OF WHITE HOUSE, TENNESSEE, REGARDING ECONOMIC INCENTIVE GUIDELINES AND AUTHORIZING THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF WHITE HOUSE, TN TO NEGOTIATE AND ACCEPT PAYMENTS IN LIEU OF AD VALOREM TAXES.

WHEREAS, the Board of Mayor and Aldermen desire to confirm their approval of guidelines for economic incentives in order to create an environment that is valued by existing companies that are expanding and to attract new prospective employers to the City; and

WHEREAS, the Board of Mayor and Aldermen would like to be able to offer an incentive program to make our city a more viable candidate in competing with similar cities for economic growth; and

WHEREAS, the Board of Mayor and Aldermen desire to authorize and approve the delegation to The Industrial Development Board of the City of White House, Tennessee (the "IDB"), of authority to negotiate and accept from the IDB's lessees payments in lieu of ad valorem tax agreements in accordance with T.C.A. Section 7-53-305(b).

NOW THEREFOR, BE IT RESOLVED by the Board of Mayor and Aldermen of the City of White House, Tennessee as follows:

RESOLVED: the Board of Mayor and Aldermen desire to authorize and approve the delegation to The Industrial Development Board of the City of White House, Tennessee (the "IDB"), of authority to negotiate and accept from the IDB's lessees payments in lieu of ad valorem tax agreements in accordance with T.C.A. Section 7-53-305(b).

BE IT FURTHER RESOLVED: the Board of Mayor and Aldermen hereby approve the Economic Incentive Guidelines to be used by the IDB in its consideration of the negotiation and acceptance of payment in lieu of tax incentives attached hereto as **Exhibit A**, with the understanding that these are guidelines and not binding rules or requirements.

Adopted this 19th day of August, 2010.

John Decker

John Decker, Mayor

ATTEST:

Amanda Priest

Amanda Priest, City Recorder

<u>Exhibit A</u>

Economic Incentive Guidelines
City of White House,
Tennessee

The Board has adopted the guidelines set forth herein based on a Company's investment, projected employment, and other factors as the Board may determine. These are guidelines and not binding rules or requirements. The Board can and should feel free to alter the Level assigned to any Project, or to increase or decrease the benefits within that level, in its sole and absolute discretion, based upon whatever subjective factors that it determines to be applicable, including, without limitation, whether the applicant is providing employment in an industry that the Board determines should be a priority or should not be a priority for the community, whether the project is in a growing or declining industry, whether the industry is environmentally sustainable or deleterious, whether the project is likely to enhance the image of the community, attract additional business, is a site in a location that the community desires be redeveloped, is a brown field, or is otherwise particularly well suited or poorly suited for the prospective project, etc. These guidelines are designed to attract new business to the City. In the case of an existing industry or business expansion, the number of jobs and capital expenditure requirement created is at the discretion of the Board of Directors.

<u>Investment Report</u> – The Company shall on or before June 30 of each year, beginning June 30 of the year following the commitment to the project, certify to the Board the amount of investment it has made in the real property and equipment comprising part of the project during the preceding 12 months (the "Annual Investment").

<u>Guidelines</u>. Subject to the foregoing, the guidelines for granting tax abatements and payment in lieu of tax agreements are as follows:

Level 1 - Companies investing at least $500,000 and hiring at least 25 full time equivalent (FTE) employees:

Real Property:

	Percentage of the property tax that would otherwise have been payable:
Year 1*	0%
Year 2	50%
Year 3	50%
Year 4	80%
Year 5	100% (Abatement ends)

Personal Property:

	Percentage of the property tax that would otherwise have been payable:
Year 1*	0%
Year 2	50%
Year 3	100% (Abatement ends)

Level 2 - Companies investing at least $2,000,000 and hiring at least 50 full time equivalent (FTE) employees:

Real Property:

	Percentage of the property tax that would otherwise have been payable:
Year 1*	0%
Year 2	0%
Year 3	50%
Year 4	60%
Year 5	70%
Year 6	80%
Year 7	80%
Year 8	100% (Abatement ends)

Personal Property:

	Percentage of the property tax that would otherwise have been payable:
Year 1*	0%
Year 2	0%
Year 3	70%
Year 4	100% (Abatement ends)

Level 3 - Companies investing at least $5,000,000 and hiring at least 100 full time equivalent (FTE) employees:

Real Property:

	Percentage of the property tax that would otherwise have been payable:
Year 1*	0%
Year 2	0%
Year 3	40%
Year 4	50%
Year 5	60%
Year 6	70%
Year 7	80%
Year 8	90%
Year 9	100% (Abatement ends)

Personal Property:

	Percentage of the property tax that would otherwise have been payable:
Year 1*	0%
Year 2	0%
Year 3	0%
Year 4	0%
Year 5	100% (Abatement ends)

* The Company may elect to make an in lieu of tax payment equal to the CIP ad valorem tax prior to placement of the applicable component of the Project in service, and make Year 1 the first year in which the full ad valorem tax would have been applicable thereto.

The Board may request that the Company meet certain performance standards related to the amount of the capital investment and job creation in connection with the Project in order to continue the tax abatement (for example, the Company shall make at least 85% of the capital investment and create at least 85% of the indicated jobs in order to receive the requisite abatement, or else there will be a proportionate reduction in the incentive). These performance criteria will be considered on a case by case basis.

In the event that a leasehold estate with respect to any part of the Project (or any interest therein) which is owned by the Board and leased to the Company is ever subject to ad valorem taxation, the amount of any such ad valorem taxes shall be a credit against any in-lieu-of-tax payments due from said Company.

All in-lieu-of-tax payments for any year shall be due and payable to the Board on or before the last day of February of the next succeeding year.