

RESOLUTION 12-14

**A RESOLUTION OF THE CITY OF WHITE HOUSE, TENNESSEE, REGARDING ECONOMIC INCENTIVE GUIDELINES AND AUTHORIZING THE HEALTH, EDUCATIONAL, AND HOUSING FACILITY BOARD OF THE CITY OF WHITE HOUSE, TN TO NEGOTIATE AND ACCEPT PAYMENTS IN LIEU OF AD VALOREM TAXES.**

**WHEREAS**, pursuant to Tennessee Code Annotated, Section 48-101-312(b), a city or county in Tennessee is permitted to delegate to a Health, Educational and Housing Facility Board ("HEH") the authority to negotiate and accept payments in lieu of ad valorem taxes ("PILOTS") from lessees of the Board upon a finding by the city or county that such payments are deemed to be in furtherance of the HEH's public purposes; and

**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

**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 Health, Educational and Housing Facility Board of the City of White House, Tennessee, of authority to negotiate and accept from the HEH's lessees payments in lieu of ad valorem tax agreements in accordance with T.C.A. Section 48-101-312(b).

**BE IT FURTHER RESOLVED:** the Board of Mayor and Aldermen hereby approve the Economic Incentive Guidelines to be used by the HEH 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 20<sup>th</sup> day of September, 2012.



Michael Arnold, Mayor

ATTEST:



Amanda Priest, City Recorder

Exhibit A

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, whether the project is growing, 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.

Investment Report – 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").

Guidelines. 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.