

Economic and Housing Development Corporation of Dickson County, Tennessee

Policies and Procedures for Payment-in-lieu-of-Tax Transactions

Section I. General Purpose and Eligible Projects*

1. Purpose. Dickson County, Tennessee (the “County”) is committed to improving its local business environment, economy and workforce housing options. In furtherance of this objective, the County has formed the Economic and Housing Development Corporation of Dickson County, Tennessee (the “IDB”). The IDB is a public nonprofit corporation established pursuant to the Tennessee Industrial Development Corporation Act (the “Act”), Tenn. Code Ann. §§7-53-101 et seq. The IDB’s statutory purposes include financing, owning and leasing certain real and personal properties, which will have the effect of maintaining and increasing employment, workforce housing and otherwise promoting new industry, commerce and trade in Tennessee and in particular, in the County.

In order to promote economic growth and support the development of workforce housing in the County, the IDB will consider requests from Applicants to make payments in lieu of taxes (“PILOTs”) instead of paying property taxes; city property taxes will only be abated if formal approval is obtained from the governing body of the city. PILOTs are generally less than regular property taxes and lower the property tax expense for a business or workforce housing development that is locating or expanding in the County. Section 7-53-305 of the Act grants authority to the IDB to negotiate, accept and waive PILOTs but only upon receipt of a formal delegation of such authority from the County. The County has provided such formal delegation by adopting a resolution delegating to the IDB the authority to negotiate, accept and waive PILOTs in accordance with these Policies and Procedures. An incentive provided by the IDB through a PILOT that results in the payment of a PILOT that is less than the property taxes that otherwise would be payable with respect to the applicable property is referred to herein as a “PILOT incentive.”

These Policies and Procedures should not be construed to require the County or the IDB to approve a PILOT incentive for any Person. Granting a PILOT incentive is solely within the discretion of the IDB acting within the parameters of these Policies and Procedures. In order, however, to inform potential Applicants for PILOT incentives of the specific criteria that the IDB will consider in evaluating Applications for PILOT incentives, and to satisfy the delegation requirements of the Act, the County and the IDB have approved these Policies and Procedures to provide guidelines for evaluating requests for PILOT incentives.

2. Eligible Projects. The IDB will only approve PILOT incentives for the following types of Projects:

- a. Industrial facilities that manufacture, assemble, process or fabricate agricultural, mining or other products.
- b. Distribution facilities that receive and distribute goods.
- c. Office buildings and service facilities.

* Capitalized terms used in these Policies and Procedures that are not otherwise defined shall have the meanings given to such terms in Section VI.

- d. Any multifamily housing facilities to be occupied by persons of low or moderate income, elderly, or disabled individuals.
- e. Retail businesses that the IDB determines will materially increase in new local sales tax revenues. If a proposed Project consists of a building to be constructed to lease to retail businesses, the Applicant must demonstrate that it has obtained leases or letters of intent from tenants to occupy a majority of the rentable square footage of the Project before the PILOT transaction is approved by the IDB.

If a proposed Project would otherwise not be eligible for a PILOT incentive because it is not an eligible Project described above but is otherwise a qualifying Project under the Act, the person undertaking the Project may request the IDB to adopt a resolution requesting the County to adopt a resolution delegating to the IDB the authority to negotiate the payment of a PILOT for such Project, but the IDB shall not approve a PILOT incentive for any such Project without obtaining the prior delegation of the County to do so.

Section II. Overview of PILOT Structure

Property tax abatement in Tennessee cannot be achieved solely by legislative or administrative action of the County because of certain limitations in the Tennessee Constitution. In other words, the County Commission of the County cannot legally grant tax abatement. In order to implement tax abatement for a Project, and to permit an Applicant to reduce its property taxes by making PILOTs, the Property must be conveyed to the IDB and leased back to the Applicant. The following is a general description of the terms of a typical PILOT transaction.

1. Conveyance to IDB. To implement a PILOT transaction, the IDB must take title to the Project. The conveyance to the IDB is usually consummated by the Applicant's execution and delivery to the IDB of a deed conveying any real property to the IDB and a bill of sale conveying any personal property to IDB.

2. Lease. Upon the conveyance of property, the IDB simultaneously enters into a lease agreement with the Applicant whereby the Applicant leases the conveyed property from the IDB. The lease will be a "triple net lease" whereby the Applicant is responsible for all maintenance, repair, taxes, and insurance. Other than the PILOT payments and the commitment to undertake the Project, the rent under such a lease is usually nominal. The lease will contain specific provisions as to a number of matters including the following:

- a. **Payment-in-Lieu Taxes** — Because the property is exempt from property taxation while owned by the IDB, the IDB and the Applicant will agree upon a schedule of PILOTs to be paid annually as rent under the lease or under a separate PILOT agreement. In certain years, a PILOT may be waived as described in the exhibits attached hereto.
- b. **Purchase Option** — In the lease, the IDB will grant to the Applicant the right to purchase the Project at any time during the term of the lease by payment of a nominal sum plus any outstanding amounts owed to the IDB. At such time, the incentive of the PILOT shall terminate.
- c. **Additional Improvements** — The lease will provide that if the lessee should make additional capital improvements to the leased property beyond that contemplated when the lease was approved, then the increased value of those improvements may result in an increased PILOT amount to cover the assessed valuation of those additional improvements.

- d. **Adjustments to PILOTs** — The lease will provide that if the Applicant does not achieve the employment, average wages, capital investment or other project-specific considerations such as retail sales or number of housing units occupied by households with incomes less than or equal to sixty percent of the AMI, as projected in the Applicant's Application, the Applicant's PILOT will be increased on an annual basis to reflect Applicant's actual results as described in more detail in Section V.
- e. **Indemnity/Insurance** — The lease will require the Applicant to indemnify the IDB for all matters relating to the Project and maintain certain insurance with respect to the Project.
- f. **Limited liability of IDB** — Any liability of the IDB under the lease shall be limited to its interest in the leased Project.
- g. **Assignment and Subletting** — Unless otherwise approved by the IDB, the Applicant shall not have the right to sublet the Project or any part thereof or assign or otherwise transfer its rights and interest under the lease except with the prior written consent of the IDB.

3. **Financing** — In many cases the Applicant will need to use the property leased from the IDB as collateral for financing. The IDB will cooperate with the Applicant and its lender in assuring the lender that the lender has a first priority lien on the leased property provided that the documentation does not place any obligation or liability on the IDB.

4. **Ground Leases** — If the Project is located on property that is the subject of a ground lease, a PILOT incentive can still be achieved, but the documentation will include a sublease to the IDB of the ground lease.

5. **Personal Property** — The IDB can offer tax abatements for personal property, including equipment, as well as real property. Any personal property can be leased pursuant to the same lease as any real property or pursuant to a separate lease. Personal property shall not include inventory or other similar assets.

6. **Economic Inducement** — A PILOT incentive is intended to be an inducement for a new or existing business to commence or expand its business operations, and to induce businesses to create jobs in the County.

7. **Expansions**. If the Applicant's proposed Project relates to the expansion of an already existing facility, the PILOT incentive will apply only to the expansion. If the expansion is on the same tax parcel as the existing facility, the entire tax parcel will need to be conveyed to the IDB, and the lessee will agree to make PILOTs equal to the taxes that would otherwise have been assessed on the existing facility plus the PILOT payment, if any, related to the expansion. For purposes of clarification, existing businesses operating in the County are eligible to apply for a PILOT incentive under these Policies and Procedures with respect to any expansion of the existing business. For purposes of the information provided in an Application for an Expansion, the information provided therein as to the projections requested therein shall relate only to the expansion and not the existing business, although Applicants for Expansion are encouraged to provide additional information regarding the Applicant's existing business.

8. **Commencement of Tax Abatement Term**. The term for a PILOT incentive relating to real property determined in accordance with **Exhibits A-1, A-2 and A-3** shall commence upon the earlier of (i) the first full calendar year after completion of the Project or (ii) the first full calendar year after two

full calendar years following the closing of the PILOT incentive (or such shorter period as is determined by the IDB). Until such term commences, the Applicant shall not be required to pay a PILOT. The term for a PILOT incentive relating to each item of personal property determined in accordance with **Exhibits A-1 and A-2** shall commence in the first full calendar year after the acquisition of such item by the IDB. An Applicant may have up to three years (or such lesser period as is determined by the IDB) from the closing of a PILOT incentive for personal property to convey personal property relating to a Project to the IDB.

Section III. Term and Amount of PILOT

The precise method of determining the term of the PILOT incentive and the amount of the PILOT payout is provided in **Exhibits A-1, A-2 and A-3** attached hereto and made part of these Policies and Procedures. As more particularly described in **Exhibit A-1**, the four general factors to be considered for non-retail and non-housing Projects are:

- a. Jobs. An important factor will be the number of jobs that are created due to the proposed Project. If the Project will be subject to any leases, any jobs attributed to the tenants may be included in the Application.
- b. Wages. Another important factor to be considered will be the average wages to be paid by the Applicants and whether such average wage is above average for the County.
- c. Capital Investment. The capital investment made by an Applicant in the land, building, site preparation, equipment and any other capital assets relating to the Project will be another factor considered by the IDB.
- d. Special Consideration. The IDB may, in its discretion, give special consideration to, and award additional incentive points to an Applicant, under **Exhibit A-1**, attached hereto, in the following circumstances: (1) Applicants making capital investments in excess of \$20,000,000 may receive up to 100 additional incentive points; (2) Applicants may receive up to a total of 100 additional incentive points based cumulatively on: (a) the level of employee benefits paid to employees as compared to the local market, (b) use of local vendors during construction and after commencement of operations (as proposed in Applicant's Application), and (c) number of employees expected to move to the County as full time residents, or (d) the Project being the headquarters of a business with multiple offices in the United States or abroad; and (3) up to 100 additional incentive points may be awarded to Applicants whose capital investment in a Project is in an area designated as a brownfield or other area with environmental or other development challenges as determined by the IDB.

The two general factors to be considered for retail Projects are projected retail sales and capital investment, all as more particularly described in **Exhibit A-2**. The two general factors to be considered for Housing Projects are (i) capital investment and (ii) percentage of units occupied by households with incomes less than or equal to sixty percent of the AMI, or in the case of workforce housing, percentage of units occupied by households with incomes between eighty to one hundred twenty percent of the AMI, all as more particularly described in **Exhibit A-3**.

Section IV. PILOT Application

1. **Application.** Any person desiring that the IDB consider a PILOT incentive shall complete and submit the Application for PILOT incentive attached hereto as **Exhibit B**. The Application shall be filed with the IDB no later than 21 days prior to the IDB meeting at which the Application for PILOT will be considered (unless waived by the IDB).

After submitting its Application, the Applicant should expect completion of a preliminary review of the Application within seven days of its receipt by staff as provided by the County. Upon completion of the preliminary staff review, and upon the Applicant responding to any additional requests for information from staff, staff shall submit the Application to the IDB for consideration. If the IDB approves the Application, the IDB will instruct an attorney designated by the IDB to prepare the lease and other documentation relating to the incentive. No PILOT incentive shall be effective until the IDB and its attorneys and the Applicant and its attorneys have approved all documentation and such documentation has been executed.

2. **No Obligation.** Nothing within these guidelines shall imply or suggest that the IDB or any political subdivision of the State of Tennessee are under any obligation to provide a PILOT incentive in any amount or value to any Applicant.

Section V. Post-Closing Monitoring

Through the use of the PILOT incentive, the IDB intends to produce measurable improvements to the economy of the County. Accordingly, each lease with an Applicant will contain, in the manner determined by the IDB, certain provisions to assure that the PILOT incentive is consistent with the job creation, wage levels and capital expenditures actually accomplished, and not just projected, by the Applicant. The IDB will annually evaluate each Project receiving a PILOT incentive to measure whether levels of job creation, wages, capital investment or other project-specific considerations such as retail sales or number of housing units occupied by households with incomes less than or equal to sixty percent of the AMI, as projected in the Applicant's Application, have been achieved.

In order to assist the IDB in such evaluation, the Applicant shall provide to the IDB certain information annually in the manner described in the lease, which information shall include, but not be limited to, the information regarding the Applicant's then current number of jobs, wages and capital investment. In addition, retail sales reports will be required for retail Projects and a report on occupants' income information will be required for Housing Projects. The form of an annual report to be filed with the IDB will be attached as an exhibit to the lease.

If any such report or other information obtained by the IDB reveals that the Applicant has not met the projections in the Applicant's Application, the IDB will have such remedies as are provided in the lease. The specific remedies will be set out in the lease, but, generally, if an Applicant fails in any year to meet the job, wage or capital expenditure projections submitted in its Application for a non-retail and non-Housing Project and upon which the PILOT term and amount was determined, the Applicant should expect that the Applicant's PILOT incentive would be proportionately reduced in that year. For retail Projects, retail sales and capital expenditures will be considered and for Housing Projects, percentage of housing units occupied by households with incomes less than or equal to sixty percent of the AMI and capital expenditures will be considered. For example, if an Applicant fails to meet its projections for two consecutive years, and the actual results would have resulted in a different schedule being applied to Applicant's Project under **Exhibits A-1, A-2, or A-3**, the lease shall be amended to apply the appropriate schedule going forward.

The Applicant's lease may provide for phased-in compliance with the Applicant's projections, if approved by the IDB, provided that the Applicant's projections must be fully met by the third full calendar year after the projected completion of any Project.

Section VI. Fees Payable to the IDB for Projects Requesting Incentives

1. **Application Fee.** An Application fee of \$1,000 must accompany any Application. The Application fee is non-refundable. The Application fee shall be deducted from the closing fee described below if the PILOT transaction is closed.
2. **Closing Fees.** Upon execution of a lease to effect the PILOT incentive, the Applicant will pay a closing fee. The closing fee will be 5% of the tax savings projected by the IDB resulting from the PILOT incentive, but the fee will be no less than \$2,500 and no more than \$10,000. The closing fee is for reimbursement of the costs and expenses of the IDB, and it also may be used for other economic development programs as from time to time are approved by the IDB.
3. **Expenses.** The Applicant will pay any and all costs related to Applicant's Application of PILOT incentive including, but not limited to, the IDB's attorney fees and any recording fees. The IDB's approved attorney shall prepare the necessary documentation for the PILOT incentive. The IDB's attorney's fees shall be paid at closing, provided, however, in the event a PILOT incentive closing does not occur for any reason or is delayed for an extended period, the Applicant agrees to pay all of the above mentioned fees and expenses of the IDB at such time.
4. **Amendments.** Applicant shall be responsible for any and all costs associated with amendments to the PILOT lease or to any other documents or agreements associated with the PILOT incentive, including any documents relating to Applicant's financing.

Section VII. Conflicts of Interest and Ethical Standards

Each IDB director shall be responsible for disclosing any material interest which he or she may have in or with an Applicant or any proposed Project. Any IDB director having any material interest in a project or a financial or family relationship with an Applicant or sponsor or financing source for a Project shall submit to the IDB's counsel a representation of that interest, and the IDB's counsel shall make a preliminary determination of whether the director needs to recuse himself/herself from consideration of the Application. In the event the director disagrees with the IDB's counsel's decision, then the IDB's counsel shall submit the potential conflict of interest to the IDB for final determination, which shall be made in accordance with the applicable laws regarding conflict of interest. If recusal is deemed appropriate, the IDB will then consider the Application without participation from the director who has been recused.

No director of the IDB shall disclose confidential information acquired by him or her in the course of his or her official duties as a director of the IDB nor use such information to further his or her personal interests.

Section VIII. Definitions

For purposes of these Policies and Procedures, the following terms shall have the following meanings:

"AMI" means Area Median Income, as determined by the U.S. Department of Housing and Urban Development, of residents of a Housing Project.

"Applicant" means the Person applying to the IDB to enter into a lease that would include a PILOT incentive with respect to a Project.

“Application” means the Application submitted to an IDB by an Applicant to receive a PILOT incentive.

“Housing Project” means a project receiving an allocation of a Low-Income Housing Credit as described by Section 42 of the Internal Revenue Code of 1986, as amended, or workforce housing projects built to serve households earning between 80 to 120 percent of the AMI.

“Payment-In-Lieu-of Taxes” or **“PILOT”** means payments established by the IDB to be made in lieu of ad valorem taxes with respect to a Project.

“Person” means any individual or entity.

“Project” means buildings, structures, machinery, equipment, or land identified in the Application or the final implementing documents, as applicable. The project may include the addition of the buildings, structures, machinery, or equipment that is committed by the Applicant to be started within three years (or such other date as may be approved) of the lease date or commencement of operations of the project defined in the Application. Any expansion undertaken beyond the approved implementation period will require a new Application to be filed at the time said expansion is planned.

Section IX. Miscellaneous

These Policies and Procedures shall not be construed to create any type of contract or agreement between the IDB and any third party, including any Applicant. Notwithstanding any provision of these Policies and Procedures to the contrary, the IDB retains the right, in its sole discretion, not to enter into any lease with any Applicant and not to approve any Application for a PILOT incentive. If any Applicant does not enter into a lease with respect to a proposed Project within one year of the initial approval by the IDB of the Applicant’s Application for a PILOT incentive, that Applicant’s Application shall be deemed to be withdrawn, and the Applicant shall be required to resubmit a new Application if the Applicant wants the IDB to continue to consider the Applicant’s Project for a PILOT incentive.

Section X. Modifications

Any modification or amendment of these Policies and Procedures must be approved by the County and by the IDB.

EXHIBIT A-1

CRITERIA USED TO DETERMINE ELIGIBILITY FOR AND TERM AND AMOUNT OF PILOT INCENTIVE FOR PROJECTS OTHER THAN RETAIL AND HOUSING PROJECTS

OVERVIEW. The term and amount of a PILOT incentive for any Project other than a retail or Housing Project will be based upon the number of incentive points for a particular Project in accordance with Section III of the Policies and Procedures and this Exhibit. A minimum of fifty incentive points is required to be eligible for a PILOT incentive for these Projects. The term and amount of a PILOT will be based on three primary factors – jobs, average weighted wage, and capital investment. Special factors may also be considered pursuant to Section III of the Policies and Procedures.

1. **JOB CREATION.** One and a half incentive points will be awarded for each new job projected to be created at the Project within 36 months from the closing of the PILOT incentive.

2. **CAPITAL INVESTMENT.** One incentive point will be awarded for each \$1,000,000 in projected capital investment in real and personal property for the proposed Project.

3. **WAGES.** The average weighted wage will be calculated taking into account the projected staff and projected levels of wages per category of staff. An example for calculating average annual wage is as follows:

Position Title	# Positions	Hourly Rate	Position Total
Manager	1	29.25	29.25
Supervisor I	3	19.23	57.69
Supervisor II	5	24.04	120.20
Production Associate	50	16.00	800.00
Shipping Clerk	2	13.00	26.00
Clerical I	3	13.50	40.50
Clerical II	4	14.00	56.00
Total Employees	68		1,129.64
Average Weighted Wage			16.61

Average weighted wage will be calculated based on base pay. No overtime, bonuses, discretionary incentive payments and benefits will be used.

The incentive points for average weighted wage will be determined by multiplying the Base Points (described below) times the number of employees divided by 100. The following matrix will be used to determine the Base Points after calculating the average weighted wage:

Average Weighted Wage	Base Points
Less than 12.00	-20
12.00 to 12.99	-10
13.00 to 13.69	0
13.70 to 13.99	10
14.00 to 14.99	20
15.00 to 15.99	30
16.00 to 19.99	40
20.00 & over	75

The IDB is authorized to amend the Base Points matrix above from time to time based upon inflationary factors and other factors that affect local average wages.

Sample Calculation for Wage Incentive Points: The average weighted wage shown in the above example is \$16.61. Applicant earns forty Base Points for the \$16.61 average weighted wage. 27.2 incentive points will be awarded based on the following calculation: (68 employees/100) x 40 Base Points = 27.2 incentive points.

4. INCENTIVE CALCULATION. The incentive schedule detailing the percent of real and personal property taxes that are abated over the term of the PILOT incentive is determined by the total number of incentive points generated by the Project. The following is an example of such calculation:

Category	Amount	Incentive Points
New Jobs	68	102.0
Capital Investment – Real	\$5,000,000	5.0
Capital Investment – Personal	0	0.0
Average Weighted Wage	16.61	27.2
Special Consideration Bonus Points ¹	0	0
Total Incentive Points		134.2
Project Qualifies for PILOT Incentive		Schedule 2

5. INCENTIVE SCHEDULES.

(PILOT equals the percent shown below times the property taxes that otherwise would have been assessed on the real and personal property per the Dickson County Assessor of Property.)

¹ Special Consideration. The IDB may, in its discretion, give special consideration to, and award additional incentive points to an Applicant, under Exhibit A-1, in the following circumstances: (1) Applicants making capital investments in excess of \$20,000,000 may receive up to 100 additional incentive points; (2) Applicants may receive up to a total of 100 additional incentive points based cumulatively on: (a) the level of employee benefits paid to employees as compared to the local market, (b) use of local vendors during construction and after commencement of operations (as proposed in Applicant's Application), and (c) number of employees expected to move to the County as full time residents, or (d) the Project being the headquarters of a business with multiple offices in the United States or abroad; and (3) up to 100 additional incentive points may be awarded to Applicants whose capital investment in a Project is in an area designated as a brownfield or other area with environmental or other development challenges as determined by the IDB.

Schedule 1 - 50 to 100 Incentive Points		
	Real Prop PILOT	Pers Prop PILOT
Year 1	0%	0%
Year 2	0%	0%
Year 3	0%	60%
Year 4	40%	80%
Year 5	50%	100%
Year 6	60%	100%
Year 7	70%	100%
Year 8	80%	100%
Year 9	90%	100%
Year 10	100%	100%

Schedule 2 - 101 to 199 Incentive Points		
	Real Prop PILOT	Pers Prop PILOT
Year 1	0%	0%
Year 2	0%	0%
Year 3	0%	0%
Year 4	0%	80%
Year 5	0%	100%
Year 6	60%	100%
Year 7	70%	100%
Year 8	80%	100%
Year 9	90%	100%
Year 10	100%	100%

Schedule 3 - 200 to 299 Incentive Points		
	Real Prop PILOT	Pers Prop PILOT
Year 1	0%	0%
Year 2	0%	0%
Year 3	0%	0%
Year 4	0%	0%
Year 5	0%	0%
Year 6	0%	100%
Year 7	0%	100%
Year 8	0%	100%
Year 9	90%	100%
Year 10	100%	100%

Schedule 4 - 300 to 999 Incentive Points		
	Real Prop PILOT	Pers Prop PILOT
Year 1	0%	0%
Year 2	0%	0%
Year 3	0%	0%
Year 4	0%	0%
Year 5	0%	0%
Year 6	0%	0%
Year 7	0%	0%
Year 8	0%	0%
Year 9	0%	0%
Year 10	0%	0%
Year 11	0%	100%
Year 12	0%	100%
Year 13	0%	100%
Year 14	0%	100%
Year 15	0%	100%

Schedule 5 - 1,000+ Points		
	Real Prop PILOT	Pers Prop PILOT
Year 1	0%	0%
Year 2	0%	0%
Year 3	0%	0%
Year 4	0%	0%
Year 5	0%	0%
Year 6	0%	0%
Year 7	0%	0%
Year 8	0%	0%
Year 9	0%	0%
Year 10	0%	0%
Year 11	0%	0%
Year 12	0%	0%
Year 13	0%	100%
Year 14	0%	100%
Year 15	0%	100%
Year 16	0%	100%
Year 17	0%	100%
Year 18	0%	100%
Year 19	0%	100%
Year 20*	0%	100%

* Please note that any abatement term longer than 20 years plus a reasonable construction period requires approval by the State of Tennessee. If the State of Tennessee does not approve an abatement period in excess of 20 years plus a reasonable construction period, the abatement term shall be limited to 20 years.

EXHIBIT A-2

CRITERIA USED TO DETERMINE ELIGIBILITY FOR AND TERM AND AMOUNT OF PILOT INCENTIVES FOR RETAIL PROJECTS

OVERVIEW. The term and amount of a PILOT incentive for any retail Project will be based upon the number of incentive points determined by the IDB for a particular Project in accordance with Section III of the Policies and Procedures and this Exhibit. The IDB is authorized to determine what qualifies as a retail Project, which may include mixed-use facilities with retail components. A minimum of 50 incentive points is required to be eligible for a PILOT incentive for a retail Project. The term and amount of PILOT incentive will be based primarily on two factors: capital investment and retail sales. Special factors may also be considered pursuant to Section III of the Policies and Procedures.

1. CAPITAL INVESTMENT. **THE MINIMUM CAPITAL INVESTMENT THRESHOLD FOR INCENTIVE CONSIDERATION IS \$10,000,000.** 10 incentive points will be awarded for each \$2,000,000 in projected capital investment in real and personal property.

2. RETAIL SALES. 15 incentive points will be awarded per \$100,000 of projected non-exempt retail sales at the Project.

3. INCENTIVE CALCULATION. The incentive schedule detailing the percent of real and personal property taxes that are abated over the term of the PILOT incentive is determined by the total number of incentive points generated by the Project. The following is an example of such calculation:

Category	Amount	Incentive Points
Capital Investment - Real	\$35,000,000	175
Capital Investment - Personal	\$15,000,000	75
Retail Sales	\$3,750,000	562.5
Total Incentive Points		812.5
Project Qualifies for PILOT Incentive	Schedule 5	

4. INCENTIVE SCHEDULES.

(PILOT equals the percent shown below times the property taxes that otherwise would have been assessed on the real and personal property per the Dickson County Assessor of Property.)

Schedule 1 – 47.5 to 106 Incentive Points		
	Real Prop PILOT	Pers Prop PILOT
Year 1	0%	0%
Year 2	0%	100%
Year 3	50%	100%
Year 4	75%	100%
Year 5	100%	100%
Year 6	100%	100%
Year 7	100%	100%
Year 8	100%	100%
Year 9	100%	100%
Year 10	100%	100%

Schedule 2 – 106.25 to 165 Incentive Points		
	Real Prop PILOT	Pers Prop PILOT
Year 1	0%	0%
Year 2	0%	0%
Year 3	0%	100%
Year 4	50%	100%
Year 5	75%	100%
Year 6	100%	100%
Year 7	100%	100%
Year 8	100%	100%
Year 9	100%	100%
Year 10	100%	100%

Schedule 3 – 165.25 to 329.75 Incentive Points		
	Real Prop PILOT	Pers Prop PILOT
Year 1	0%	0%
Year 2	0%	0%
Year 3	0%	0%
Year 4	0%	100%
Year 5	50%	100%
Year 6	75%	100%
Year 7	100%	100%
Year 8	100%	100%
Year 9	100%	100%
Year 10	100%	100%

Schedule 4 - 330 to 659.75 Incentive Points		
	Real Prop PILOT	Pers Prop PILOT
Year 1	0%	0%
Year 2	0%	0%
Year 3	0%	0%
Year 4	0%	0%
Year 5	0%	100%
Year 6	0%	100%
Year 7	50%	100%
Year 8	75%	100%
Year 9	100%	100%
Year 10*	100%	100%
Year 11	100%	100%
Year 12	100%	100%
Year 13	100%	100%
Year 14	100%	100%
Year 15	100%	100%

Schedule 5 - 660+ Incentive Points		
	Real Prop PILOT	Pers Prop PILOT
Year 1	0%	0%
Year 2	0%	0%
Year 3	0%	0%
Year 4	0%	0%
Year 5	0%	0%
Year 6	0%	100%
Year 7	0%	100%
Year 8	0%	100%
Year 9	50%	100%
Year 10*	75%	100%
Year 11	100%	100%
Year 12	100%	100%
Year 13	100%	100%
Year 14	100%	100%
Year 15	100%	100%
Year 16	100%	100%
Year 17	100%	100%
Year 18	100%	100%
Year 19	100%	100%
Year 20**	100%	100%
Year 21	100%	100%
Year 22	100%	100%
Year 23	100%	100%
Year 24	100%	100%
Year 25	100%	100%

* Any abatement term longer than 10 years plus a reasonable construction period for retail projects that impact the property taxes of any City or Special School District must also be approved by the governing body of that City or Special School District.

** Any abatement term longer than 20 years plus a reasonable construction period requires approval by the State of Tennessee. If the State of Tennessee does not approve an abatement period in excess of 20 years plus a reasonable construction period, the abatement term shall be limited to 20 years.

EXHIBIT A-3

CRITERIA USED TO DETERMINE ELIGIBILITY FOR AND TERM AND AMOUNT OF PILOT INCENTIVE FOR HOUSING PROJECTS

OVERVIEW. The term and amount of a PILOT incentive for Housing Projects will be based upon the number of incentive points for a particular Project in accordance with Section III of the Policies and Procedures and this Exhibit. A minimum of 50 incentive points is required to be eligible for a PILOT incentive for these Projects. The term and amount of a PILOT will be based on two primary factors –(i) capital investment and (ii) the percentage of units occupied by households with incomes less than or equal to sixty percent of the AMI, or the percentage of units occupied by households with incomes between eighty and one hundred twenty percent of the AMI. Special factors may also be considered pursuant to Section III of the Policies and Procedures.

1. CAPITAL INVESTMENT. THE MINIMUM CAPITAL INVESTMENT THRESHOLD FOR INCENTIVE CONSIDERATION IS \$10,000,000. 10 incentive points will be awarded for each \$2,000,000 in projected capital investment in real and personal property.

2. QUALIFYING LOW INCOME HOUSING UNITS. THE MINIMUM PERCENTAGE OF UNITS AT OR BELOW 60% AMI FOR INCENTIVE CONSIDERATION IS 50%. 15 incentive points will be awarded for every 10% of the housing units at the Project with incomes at or below 60% AMI.

3. QUALIFYING WORKFORCE HOUSING UNITS. THE MINIMUM PERCENTAGE OF UNITS BETWEEN 80% AND 120% OF AMI FOR INCENTIVE CONSIDERATION IS 50%. 15 incentive points will be awarded for every 10% of the housing units at the Projects with incomes between 80% and 120% AMI.

4. INCENTIVE CALCULATION. The incentive schedule detailing the percent of real property taxes that are abated over the term of the PILOT incentive is determined by the total number of incentive points generated by the Project. The following is an example of such calculation:

Category	Amount	Incentive Points
Capital Investment - Real	\$35,000,000	175
Capital Investment - Personal	\$15,000,000	75
Qualifying Housing Units	60%	90
Total Incentive Points		340
Project Qualifies for PILOT Incentive	Schedule 3	

4. INCENTIVE SCHEDULES.

The PILOT schedules shall be on a cost-per-unit basis, subject to an annual increase of 5% (Schedule 1), 3% (Schedules 2 and 3), or no annual increase (Schedule 4), applied each year through the duration of the applicable incentive term.

Schedule 1 - 100 to 100 Incentive Points	
	Real Prop PILOT \$ Per Unit
Year 1	\$300
Year 2	\$315
Year 3	\$331
Year 4	\$347
Year 5	\$365
Year 6	\$383
Year 7	\$402
Year 8	\$422
Year 9	\$443
Year 10	\$465

Schedule 2 - 101 to 299 Incentive Points	
	Real Prop PILOT \$ Per Unit
Year 1	\$250
Year 2	\$258
Year 3	\$265
Year 4	\$273
Year 5	\$281
Year 6	\$290
Year 7	\$299
Year 8	\$307
Year 9	\$317
Year 10	\$326
Year 11	\$336
Year 12	\$346

Schedule 3 - 300 to 999 Incentive Points	
	Real Prop PILOT \$ Per Unit
Year 1	\$200
Year 2	\$206
Year 3	\$212
Year 4	\$219
Year 5	\$225
Year 6	\$232
Year 7	\$239
Year 8	\$246
Year 9	\$253
Year 10	\$261
Year 11	\$269
Year 12	\$277

Schedule 4 - 1,000+ Points	
	Real Prop PILOT \$ Per Unit
Year 1	\$200
Year 2	\$200
Year 3	\$200
Year 4	\$200
Year 5	\$200
Year 6	\$200
Year 7	\$200
Year 8	\$200
Year 9	\$200
Year 10	\$200
Year 11	\$200
Year 12	\$200
Year 13	\$200
Year 14	\$200
Year 15	\$200

EXHIBIT B

**Application to enter into
Payment-In-Lieu-Of-Tax Transaction**

Economic Development Corporation of Dickson County

1. Company name (Applicant): _____

Mailing address: _____

Website: _____

Federal Employer ID Number: _____

Legal status: Sole Proprietorship ____ S-Corp ____ C-Corp ____ Partnership ____ LLC ____

If entity, state of formation: _____
2. Contact for this project: _____

Title: _____

Mailing address: _____

Phone: _____

Fax: _____

E-mail address: _____
3. If Applicant is not the owner, what is the relationship between owner and Applicant?

4. Provide a narrative description of the proposed project, including activities to be performed and a list of products to be produced and/or services to be provided:

-
-
-
5. Attach a copy of current Deed to any real property for proposed Project as an Exhibit to this Application.

Street Address of the proposed project: _____

Tax Parcel ID Number (s): _____

6. Is the real estate located within corporate limits of any City?

Yes: _____ No: _____ If yes, then which City? _____

7. Does a mortgage or Deed of Trust currently exist against the real property?

Yes: _____ No: _____

If yes, who is the holder of the mortgage? _____

8. What is the projected amount of real estate capital investment? _____

9. What is projected amount of new personal property capital investment? _____

10. Is the Applicant using a bank or other lender to finance all or a portion of the costs of the project?

Yes: _____ No: _____

If yes, which Lender: _____

Address: _____

Contact: _____

11. Does Applicant know of any proposed or pending mergers or acquisitions by or affecting Applicant or of any other materially significant event in any way affecting Applicant?

____ Yes ____ No

If yes, please provide brief description: _____

-
12. Provide a brief description of any building being constructed as part of the Project including size and construction type:

(Attach any site plans, building plans and architectural renderings that are available.)

13. If Applicant is requesting the award of incentive points for any of the special factors described in Section III of the Policies and Procedures, please provide such information as the Applicant deems relevant to substantiate such request. Applicant may attach such additional information as Applicant deems appropriate:

-
-
-
14. Estimated start date for construction: _____
Estimated completion date for construction: _____
Estimated date for start-up of operations: _____

15. For Projects other than Housing Projects, please provide the following employment projections:
First year employment projection – Provide employment projections for the first twelve months of operation on the form provided below.

Second year employment projection – Provide employment projections for the end of the first twenty-four months of operation on the form provided below.

Position Title	# Positions	Hourly \$ Rate	Position \$ Total
Total Employees			

Third year employment projection – Provide employment projections for the end of the first thirty-six months of operation on the form provided below.

Position Title	# Positions	Hourly \$ Rate	Position \$ Total
Total Employees			

16. For Low-Income Housing Tax Credit projects, please attach the following: (i) Proof of allocation of low-income housing tax credits from the Tennessee Housing Development Agency (THDA), (ii) Copy of the market study provided to THDA, and (iii) Copy of the operating pro forma provided to THDA.
17. For Workforce Housing projects, please attach the following: (i) Copy of a market study, and (ii) Copy of an operating pro forma.

By submitting this Application, Applicant agrees to provide, upon request, such financial information about the Applicant as may be reasonably requested by the IDB, including financial statements.

This Application is made in order to induce the Economic Development Corporation of Dickson County to grant a PILOT incentive to Applicant. Applicant represents and warrants that the statements contained herein or attached hereto are true and correct to be best of its knowledge and include all information materially significant to the IDB in its consideration of this Application.

If Applicant is granted a PILOT incentive or any other incentives as a result of this Application, Applicant agrees to report annually to the IDB, such information as may be required in the documentation evidencing the incentive.

Applicant specifically agrees, in connection with this submission, this Application, to pay all reasonable costs, fees and expenses incurred by the IDB, including attorneys' fees, whether or not any PILOT incentives are granted, as a result of Applicant submitting this Application.

Executed this _____ day of _____, 20____

Name of Applicant

By: _____

Title: _____

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