

RESOLUTION

RESOLUTION TO APPROVE PILOT (PAYMENT-IN-LIEU-OF-TAX) AGREEMENT FOR THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF CUMBERLAND, TENNESSEE

WHEREAS, CoLinx, a Delaware limited liability company (the "Company"), has indicated that it is considering constructing and equipping a 210,000 square foot expansion of their distribution facility (the "Project") in the City of Crossville, which will result in a capital investment of approximately \$14,375,000 and the creation of approximately 65 new jobs and the retention of over 700 jobs; and

WHEREAS, the Company has further indicated that it will commit to locate the Project in the City of Crossville if the Industrial Development Board of the County of Cumberland, Tennessee (the "Board") will enter into a payment in-lieu-of tax lease agreement (the "PILOT Lease") with the Company; and

WHEREAS, the Crossville City Council, wishes to provide expanded economic opportunities for the citizens of the City; and

WHEREAS, the City Council wishes to approve the execution of a PILOT Lease by the Board with the Company pursuant to which the Company is required to make payments-in-lieu-of-taxes to the City of Crossville and Cumberland County for a term not to exceed ten (10) years following the completion of construction of the Project.

NOW, THEREFORE, BE IT RESOLVED by the Crossville City Council meeting in regular session the 10th day of November, 2014, that the Board be hereby authorized to negotiate a PILOT Lease with the Company and to enter into a PILOT Lease corresponding to this Resolution.

BE IT FURTHER RESOLVED, that the PILOT Lease require the Company to make payments-in-lieu-of-taxes to the City equal to that portion of the real and personal property taxes which the Company would have otherwise paid with respect to the Project if the Company had owned the Project in fee simple during the term of the Lease according to the Tax Rate Schedule attached hereto.

BE IT FURTHER RESOLVED, that if any section, clause, provision or portion of this resolution is held to be invalid or unconstitutional by any court of competent jurisdiction, such holding shall not affect any other section, clause, provision or portion of this resolution.

BE IT FURTHER RESOLVED, that this resolution shall take effect on the earliest date allowed by law.

MAYOR

Councilman

Councilman

Councilman

Councilman

ATTEST:

CITY CLERK

Assumes tax rate remains the same.

*Year	Original Estimated Value Real Property	Estimated Assessed Value 40%	Value/100	Tax Rate at PILOT Origin	Normal Tax To Pay	Abatement Schedule	PILOT Payments	Maximum Annual Tax Savings
1	7,525,000	3,010,000	30,100	0.53	15,953	0%	-	15,953
2	7,525,000	3,010,000	30,100	0.53	15,953	0%	-	15,953
3	7,525,000	3,010,000	30,100	0.53	15,953	0%	-	15,953
4	7,525,000	3,010,000	30,100	0.53	15,953	0%	-	15,953
5	7,525,000	3,010,000	30,100	0.53	15,953	25%	3,988	11,965
6	7,525,000	3,010,000	30,100	0.53	15,953	25%	3,988	11,965
7	7,525,000	3,010,000	30,100	0.53	15,953	50%	7,977	7,977
8	7,525,000	3,010,000	30,100	0.53	15,953	50%	7,977	7,977
9	7,525,000	3,010,000	30,100	0.53	15,953	75%	11,965	3,988
10	7,525,000	3,010,000	30,100	0.53	15,953	75%	11,965	3,988
Totals					159,530		47,859	111,671

* The first year will be when the building & equipment shows on the tax roll

Year	Original Estimated Value Personal Property	Depreciated Assessed Value	Appr. Ratio *-1.0000	*Depreciated Assessed Value 30%	Tax Rate at PILOT Origin	Normal Tax To Pay	Abatement Schedule	PILOT Payments	Maximum Annual Tax Savings
1	6,850,000	6,028,000	6,028,000	1,808,400	0.53	9,585	0%	-	9,585
2	6,850,000	5,137,500	5,137,500	1,541,250	0.53	8,169	0%	-	8,169
3	6,850,000	4,315,500	4,315,500	1,294,650	0.53	6,862	0%	-	6,862
4	6,850,000	3,425,000	3,425,000	1,027,500	0.53	5,446	0%	-	5,446
5	6,850,000	2,603,000	2,603,000	780,900	0.53	4,139	25%	1,035	3,104
6	6,850,000	1,712,500	1,712,500	513,750	0.53	2,723	25%	681	2,042
7	6,850,000	1,370,000	1,370,000	411,000	0.53	2,178	50%	1,089	1,089
8	6,850,000	1,370,000	1,370,000	411,000	0.53	2,178	50%	1,089	1,089
9	6,850,000	1,370,000	1,370,000	411,000	0.53	2,178	75%	1,634	545
10	6,850,000	1,370,000	1,370,000	411,000	0.53	2,178	75%	1,634	545
Totals						45,635		7,161	38,474

*Appraisal Ratio subject to change yearly.

TOTALS **38,474**

* *The first year will be when the building & equipment shows on the tax roll