

**RESOLUTION NO.**

**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 s.f. expansion of their distribution facility (the "Project") in the City of Crossville, which will result in a capital investment of approximately \$10,000,000 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 \_\_\_\_th day of June, 2013, 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

<b>City of Crossville</b>								
<b>Tax Rate Schedule</b>								

Assumes a company comes to Crossville, has Groups 1 & 5 Personal Property, and does not purchase new or sells any of the Personal Property.

Assumes tax rate remains the same.								
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*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	7,100,000	2,840,000	28,400	0.53	15,052	0%	-	15,052
2	7,100,000	2,840,000	28,400	0.53	15,052	0%	-	15,052
3	7,100,000	2,840,000	28,400	0.53	15,052	0%	-	15,052
4	7,100,000	2,840,000	28,400	0.53	15,052	0%	-	15,052
5	7,100,000	2,840,000	28,400	0.53	15,052	25%	3,763	11,289
6	7,100,000	2,840,000	28,400	0.53	15,052	25%	3,763	11,289
7	7,100,000	2,840,000	28,400	0.53	15,052	50%	7,526	7,526
8	7,100,000	2,840,000	28,400	0.53	15,052	50%	7,526	7,526
9	7,100,000	2,840,000	28,400	0.53	15,052	75%	11,289	3,763
10	7,100,000	2,840,000	28,400	0.53	15,052	75%	11,289	3,763

Totals					150,520			45,156	105,364	

* The first year will be when the building & equipment shows on the tax roll				
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	Original Estimated Value Personal Property	Depreciate d 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
**Year									
1	2,900,000	2,552,000	2,552,000	765,600	0.53	4,058	0%	-	4,058
2	2,900,000	2,175,000	2,175,000	652,500	0.53	3,458	0%	-	3,458
3	2,900,000	1,827,000	1,827,000	548,100	0.53	2,905	0%	-	2,905
4	2,900,000	1,450,000	1,450,000	435,000	0.53	2,306	0%	-	2,306
5	2,900,000	1,102,000	1,102,000	330,600	0.53	1,752	25%	438	1,314
6	2,900,000	725,000	725,000	217,500	0.53	1,153	25%	288	865
7	2,900,000	580,000	580,000	174,000	0.53	922	50%	461	461
8	2,900,000	580,000	580,000	174,000	0.53	922	50%	461	461
9	2,900,000	580,000	580,000	174,000	0.53	922	75%	692	231
10	2,900,000	580,000	580,000	174,000	0.53	922	75%	692	231

<b>Totals</b>						19,320		3,032	16,288
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* Appraisal Ratio subject to change yearly.					
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[illegible]

							<b>TOTALS</b>		<b>16,288</b>
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* *The first year will be when the building & equipment shows on the tax roll			
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