

**Board Members:**

Greg McWhorter  
Paul Fortunato  
Terry Henley  
Julie Wheeler  
Tiffany Gardner  
Anthony Wise  
Rick Gentry  
Alvin Nance  
Shannon Coleman Egle  
Michael Wood  
Mike George



**The Industrial Development Board of the County of Knox**

Regular Meeting

March 9, 2021, 4:00 p.m.

Zoom Video Conference Mtg. - In accordance with

Governor Lee's Executive Order No. 78

(an extension of Executive Order Nos. 16, 34, 51, 60, 65 and 71)

**AGENDA**

- I. Call to Order
  - II. Approval of Minutes from Previous Meeting
    - A) Regular Meeting – February 9, 2021
  - III. Old Business
    - A) Review and Consideration of Draft Revised Job Recruitment Policies and Procedures Applicable to the Board's Knox County Property Tax Incentive Program
  - IV. New Business
    - A) Discussion Regarding Farragut Town Center at Biddle Farms Project
  - V. Adjourn
- ACTION**
- ACTION**

**MINUTES OF THE REGULAR MEETING OF  
THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX**

February 9, 2021, 4:00 p.m.

The regular meeting of the Board of Directors of The Industrial Development Board of the County of Knox (the “Industrial Development Board” or “Board”) was held on Tuesday, February 9, 2021 at 4:00 p.m., pursuant to notice duly provided to the Directors and the public. The meeting was held via electronic method (Zoom Meeting), the Board’s Chair having determined on behalf of the Board that such was necessary to protect the health, safety, and welfare of Tennesseans in light of the COVID-19 outbreak.

The following Directors were present at the meeting, constituting a quorum, Greg McWhorter (Chair), Paul Fortunato (Vice Chair), Tiffany Gardner (Secretary), Mike George, Julie Wheeler, Rick Gentry, Michael Wood, and Shannon Coleman Egle.

Also, in attendance were Todd Napier (The Development Corporation), Ray Christian (The Development Corp.), Brenda Wilson Spence (The Development Corporation), R. Christopher Trump (Legal Counsel – Egerton, McAfee, Armistead & Davis, P.C.), Susan L. Levine (Paralegal - Egerton, McAfee, Armistead & Davis, P.C.), and Brannon McNeillie, CPA with Abacus Hive.

I. Greg McWhorter, the Board’s Chair, called the Industrial Development Board meeting to order. The Agenda of the Industrial Development Board meeting is attached hereto as Exhibit A. Mr. McWhorter asked Todd Napier to introduce Mr. McNeillie to the Board. Mr. Napier stated that due to Shawn Barhorst departure from The Development Corporation, he decided to hire Abacus Hive, a CPA and accounting firm, to oversee the financial affairs of the Board. Mr. McNeillie is one of two principals of Abacus Hive that will serve the Board in this respect.

The Industrial Development Board then discussed the following matters and took the following actions as noted:

II. Review/ Approve Minutes from Previous Meeting. The Chair of the meeting asked if there were any changes to the minutes of the regular meeting held on January 12, 2021. There were none. Upon a motion by Paul Fortunato and a second by Rick Gentry, the minutes of the January 12, 2021, meeting were unanimously approved.

III. Old Business.

A) Update Regarding Knox County Property Tax Incentive Program Policies. The Chair recognized Chris Trump who addressed the Board regarding the status of the revised policies and procedures applicable to the Board’s Jobs PILOT program. Mr. Trump stated that the a draft of the full set of policies and procedures will be sent to Todd Napier this week and that he expects that a draft acceptable to Mr. Napier will be distributed to the Ad Hoc Policy and Procedures Committee of the Board for its review and consideration. Mr. Napier stated that once the Ad Hoc Committee approves for recommendation to the Board the draft Jobs PILOT policies and procedures, they will be presented to the Board to approve for submission to the Mayor’s

office for their input. Mr. Napier stated that he feels that it is important to then turn to the policies and procedures for the Board's Community Redevelopment PILOT program, stating that he believes that we should submit both those policies and the Jobs Recruitment policies to Knox County Commission so that the public workshops can be conducted at the same time for both sets of policies. Mr. Napier doesn't believe this will significantly alter the timeline, but wanted to be judicious with the County's time and resources. Mr. Napier stated that he would send dates to the Ad Hoc committee members to poll them on a meeting date to consider the Jobs PILOT policies and procedures.

B) Update Regarding Appointment to Greater Knoxville Foreign Trade Zone Advisory Council. The Chair recognized Todd Napier who gave the Board an update regarding the appointment and Ms. Gardner's discussions with the leadership at Jewelry Television to appoint a representative to the Advisory Council. Mr. Napier stated that while the discussions with Jewelry Television are still ongoing, he received the minutes to the latest Advisory Council meeting and learned that Rick Welsh, the Board's current appointee, was appointed to serve as Vice Chair of the Advisory Council for 2021. Based upon this information, Mr. Napier recommended that the Board reappoint Mr. Welch for 2021 and continue discussions with Jewelry Television for appointment of a new representative at the end of the year. Discussion was had.

Upon a motion by Tiffany Gardner and a second by Paul Fortunato, the Board unanimously approved the appointment of Rick Welsh to the Greater Knoxville Foreign Trade Zone Advisory Council.

C) CT-0253 S2020 Northshore Town Center Project. The Chair recognized Chris Trump who addressed the Board, presenting the CT-0253 S2020 State Report on Debt Obligation for the refinance of the Tax Increment Revenue Note, Series 2020 in the amount of \$2,507,841.21 previously issued by the Board to Northshore Market Investors, LLC.

IV. New Business. None.

V. Next Meeting. The next regular meeting of The Industrial Board of the County of Knox is scheduled for March 9, 2021, at 4:00 p.m. at the offices of The Development Corporation of Knox County located at 17 Market Square, #201, Knoxville, Tennessee.

VI. Adjournment. No further business having come before the Board and upon motion duly made and seconded, the Board voted unanimously to adjourn the meeting at 4:19 p.m.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Secretary

**EXHIBITS**

Exhibit A      Agenda – February 9, 2021

**MINUTES OF THE MEETING OF THE AD HOC POLICIES AND PROCEDURES  
COMMITTEE OF THE INDUSTRIAL DEVELOPMENT BOARD  
OF THE COUNTY OF KNOX**

Wednesday, February 24, 2021, 4:00 p.m.

The Ad Hoc Policies and Procedures Committee (the “Policies and Procedures Committee” or “Committee”) of The Industrial Development Board of the County of Knox (the “Board” or “IDB” or “County IDB”) held a special-called meeting on Wednesday, February 24, 2021 at 4:00 p.m., pursuant to notice duly provided to the Committee Members and the public. The meeting was held via electronic method (Zoom Meeting), the Committee’s Chair having determined on behalf of the Board that such was necessary to protect the health, safety, and welfare of Tennesseans in light of the COVID-19 outbreak.

The following Ad Hoc Policies and Procedures Committee Members were present at the meeting constituting a quorum: Rick Gentry (Chair), Greg McWhorter, Julie Wheeler, Paul Fortunato, and Tiffany Gardner.

Also in attendance were Todd Napier (The Development Corporation), Brenda Wilson-Spence (The Development Corporation), Ray Christian (The Development Corporation), R. Christopher (“Chris”) Trump (Legal Counsel – Egerton, McAfee, Armistead & Davis, P.C.) and Susan L. Levine (Paralegal – Egerton, McAfee, Armistead & Davis, P.C.).

I. Call to Order. Rick Gentry, the Committee’s Chair, called the Policies and Procedures Committee to order.

II. Review/ Approve Minutes from Previous Meeting. The Chair of the meeting asked if there were any changes to the minutes of the meeting held on December 1, 2020. There were none. Upon a motion by Paul Fortunato and a second by Tiffany Gardner, the minutes of the December 1, 2020, committee meeting were unanimously approved.

III. Review/Discussion of the Jobs Recruitment PILOT Policies and Procedures. The Committee reviewed the final draft of the updated Policies and Procedures for Payment-In-Lieu-Of-Tax Program for Jobs Recruitment Projects (“Jobs PILOT” or “Policies and Procedures”).

The Chair recognized Chris Trump and asked that he present the draft Policies and Procedures for Jobs PILOTs to the Committee. Mr. Trump began by informing the Committee that the draft Policies and Procedures incorporate the Board’s prior policies, the new and additional criteria discussed and recommended by the Committee, and the final scoring matrix developed by Todd Napier based upon the Committee’s recommendations. Mr. Trump then presented a summary of each Section of the draft Policies and Procedures, pausing between each Section to illicit feedback and additional recommendations from the Committee members. Mr. Trump also pointed out various other typographical corrections that he has made since the draft was sent to Board.

In reviewing the Jobs PILOT Definitions Section, Mr. Trump highlighted the State’s definition of “Disadvantage Business Entity” which incorporates one of the Committee’s recommendations for incorporating bonus points for businesses owned by women and minorities. Mr. Trump stated that the laws pertaining to the State of Tennessee’s procurement of goods and services had a broader definition of disadvantaged business entities that also includes, among other things, veterans with disabilities, persons

with disabilities, and small businesses, and that the draft Policies and Procedures incorporates the categories and definitions of the relevant State statutes. Mr. Trump then reviewed the individual definitions of each category. After discussion, members of the Committee expressed a consensus that the small business category and definition should be deleted.

In reviewing the Objectives Section of the Jobs PILOT, Mr. Trump highlighted the revisions suggested since the draft was sent to the Board to the total capital investment required for a Jobs PILOT, the Board's ability to consider Jobs PILOTs from contiguous counties with supporting credible evidence that East Tennessee would lose the project, and the requirement that zoning approvals be obtained prior to a Jobs PILOT approval. After discussion, members of the Committee expressed a consensus that the zoning approval requirement should be revised to be a closing condition rather than a condition to be met prior to Board approval of the PILOT.

In reviewing the updated Payments Section of the Jobs PILOT, Mr. Trump highlighted the modification to application and agenda fees and the inclusion of the Committee's recommendation for requiring PILOT Recipients to pay late fees for nonperformance of reporting, payments, and other mandatory requirements under the approved Jobs PILOT.

IV. Discussions regarding next steps. The Chair then asked the Committee if the draft Jobs PILOT Policies and Procedures, as edited in accordance with the above discussion, were ready for presentation to the full Board. Discussion was had. Upon a motion by Tiffany Gardner and a second by Paul Fortunato the Committee voted unanimously to present the final draft of the Jobs PILOT Program, subject to the revisions discussed above, to the full Board on March 9, 2021. A copy of the Jobs PILOT Policies and Procedures, as so approved for presentation, is attached hereto as Exhibit A.

V. Adjournment. No further business having come before the Committee and upon motion duly made and seconded, the Chair adjourned the meeting at 5:05 p.m.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Rick Gentry, Chair



PAYMENT·IN·LIEU·OF·TAX PROGRAM  
FOR  
JOBS RECRUITMENT PROJECTS

POLICIES AND PROCEDURES

Effective: \_\_\_\_\_, 2021

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## **Section I. GENERAL PURPOSE AND PROVISIONS**

Knox County, Tennessee is committed to enhancing the development and improvement of its local business environment and economy, especially in areas that will ultimately improve the quality of life enjoyed by its citizens. In furtherance of this objective, Knox County has established a program using economic incentives based on payments-in-lieu-of-taxes (“PILOT” or “PILOTS”) to attract and retain, on a basis competitive with other local governments, businesses that provide the types of employment, capital investment, community involvement and financial impact sought by Knox County and its citizens.

Knox County established the Property Tax Incentive Program, and these Policies and Procedures, to consider and evaluate on a case-by-case basis certain economic and business development opportunities. Knox County is under no obligation to grant a property tax incentive to any Applicant and granting these incentives is solely within the discretion of Knox County. In order, however, to inform potential Applicants of specific criteria for these incentives, Knox County and The Industrial Development Board of the County of Knox have established basic criteria and guidelines for Applicants, including an evaluation matrix based upon factors that Knox County considers essential for any property tax incentive.

The Property Tax Incentive Program is administered for Knox County by The Industrial Development Board of the County of Knox (“IDB”), a nonprofit quasi-governmental corporation that was established in 1966 pursuant to the Tennessee Industrial Development Corporation Act (“Act”), Tenn. Code Ann. §§7-53-101 *et seq.* The IDB is governed by an 11-member Board of Directors, appointed by the Knox County Commission (“Board”). The IDB’s statutory purpose includes financing, owning, and leasing certain real and personal properties, which will have the effect of maintaining and increasing employment and otherwise promoting new industry, commerce and trade in Tennessee and Knox County, in particular. The IDB intends to conduct its activities consistent with the provisions of the Act and the intent of the Knox County Commission.

It is the intention of the IDB to conduct its activities consistent with the provisions of Tennessee Code Annotated section 7-53-101, *et seq.*, and any and all other laws of the United States and the State of Tennessee applicable and available to the IDB for PILOT projects, and with the enactments of the local legislative bodies within Knox County, in establishing the IDB.

To this end, the IDB will conduct its business within the guidelines set forth herein when considering Applications for PILOTS. Nothing herein shall imply or suggest that the IDB is under any obligation to provide a PILOT to any Applicant. All Applicants shall be considered on a case-by-case basis, and the decision to approve or deny a PILOT shall be at the discretion of the Board and, as specified, the discretion of the Mayor of the County of Knox. In certain cases, the approval from the Knox County Board of Commissioners, and the Tennessee Commissioner of Economic and Community Development and of the Tennessee Comptroller of the Treasury, may also be required.

The Board has the right to amend or waive these Policies and Procedures, as needed, upon a majority vote of the Board, in order to effectuate its mission of economic development for Knox County, including the adoption, incorporation, and implementation of any and all available

programs, statutes, or other measures made available by the United States, the State of Tennessee and Knox County.

## Section II. DEFINITIONS

**“Applicant”** means the Person or entity which submits to the IDB an Application for a PILOT.

**“Application”** means that document prepared, submitted, and, perhaps, amended by the Applicant, in accordance with the provisions of these Policies and Procedures, for the purpose of obtaining a PILOT from the IDB. Such Application shall be in a form designated by the Board from time to time.

**“Brownfield”** means properties that have been vacant or abandoned for at least five (5) years, have a prior history of industrial use and potentially have some environmental contamination as indicated by a Phase I Environmental Assessment. Additionally, only those properties in excess of five (5) acres or structures with more than 20,000 square feet of gross floor area will be eligible for credit a Brownfield under the PILOT Evaluation Matrix.

**“Business Owned By Persons With Disabilities”** means a business owned by a person with a disability that is a continuing, independent, for-profit business that performs a commercially useful function, and is at least fifty-one percent (51%) owned and controlled by one (1) or more persons with a disability; or, in the case of any publicly owned business, at least fifty-one percent (51%) of the stock of which is owned and controlled by one (1) or more persons with a disability and whose management and daily business operations are under the control of one (1) or more persons with a disability.

**“Capital Investment”** means the investment in land, buildings, site preparation, equipment and any other property for the Project that the Applicant and/or PILOT Recipient commits to making in the Application. Capital Investment may include both property that is and is not transferred to the IDB to receive a PILOT benefit.

**“Construction Period”** means the period of time beginning with the date of the PILOT Lease and ending on the earlier to occur of (1) the issuance of a certificate of occupancy by applicable Governmental Authorities and (2) the date which is twenty-four (24) months after the date of the PILOT Lease.

**“Contract Employee”** means a Person employed by a party other than the PILOT Recipient and whose labor is contracted for by PILOT Recipient and who is considered a necessary member of the workforce responsible for duties and assignments required to be performed in order for the PILOT Recipient to operate its business. All Contract Employees are subject to the PILOT criteria for determining Net New Jobs, including, but not limited to, Wages and health insurance requirements.

**“Disadvantaged Business Entity”** means a business which has received a designation or certification acceptable to the Board as one of the following disadvantaged business entities: a Woman-Owned Business, a Minority-Owned Business, a Business Owned By Persons With Disabilities, or a Service-Disabled Veteran-Owned Business.

**“Disadvantaged Business Entity Certification”** means a designation or certification from one of the following entities: Governor’s Office of Diversity Business Enterprise (Go DBE); Tennessee Department of Transportation (TDOT); National Business Supplier Development Council; Women’s Business Enterprise National Council; U.S. Department of Veteran’s Affairs Veteran Owned Small Business/Service Disabled Veteran Small Business, U.S. Small Business Administration; or any other recognized designation or certification that the Board may approve from time to time.

**“Eligible Census Tract”** means a tract of real property that is a tract of real property that is eligible for the United States Treasury Department’s New Markets Tax Credit Program.

**“Expansion”** means the addition of buildings, structures, machinery, or equipment for the purpose of expanding a Project. An Expansion will be evaluated independently from the original Project, and will require a new Application.

**“Facility (or Facilities)”** means property improvements completed or in the process of construction, which together comprise an integral Project, including real property and tangible personal property.

**“Fiscal Impact Analysis”** means an analysis periodically completed by IDB’s Staff (the “Staff”) or consultants working on behalf of the IDB that is used by the IDB to compare the financial benefits of a Project applying for a PILOT with the costs over a period of time.

**“Full-Time Job”** means a job directly provided by the PILOT Recipient for which a PILOT benefit is awarded and which provides full-time employment of at least 1,600 hours per year. Full-Time Jobs also includes Contract Employees that would otherwise satisfy such requirements.

**“Governmental Authority”** means the United States, the State of Tennessee, any political subdivision of either, and any agency, department, commission, board, bureau or instrumentality of any of them.

**“Indirect Jobs”** means the number of indirect jobs estimated by the Board to be created for each Full-Time Equivalent Job directly provided by the PILOT Recipient respecting the applicable Project, such estimate to be determined using the RIMS II multiplier for the NAICS code most predominantly associated with the Project for which a PILOT is being sought, as published from time to time by the U.S. Bureau of Economic Analysis, and all as determined by the Board in its sole discretion. In the event that such data is no longer published by the U.S. Bureau of Economic Analysis, the Board shall use such other methodology as it elects to estimate such number of Indirect Jobs created by the Project.

**“Jobs PILOT”** or **“PILOT”** means a PILOT Project predominantly based on job creation as more particularly described herein. A Jobs PILOT shall be governed by the Policies and Procedures set forth herein.

**“Knox County”** means the County of Knox, Tennessee.

**“Knox County Annual Average Wage”** is the annual average wage as calculated and reported by the Tennessee Department of Labor and Workforce Development in the Quarterly Census of Employment and Wages. The Knox County Annual Average Wage includes regular wages, overtime pay, paid holidays, and paid vacation.

**“Knox County Commission”** means the Board of Commissioners of the County of Knox, Tennessee.

**“Lease Agreement”** means the formal contract pertaining to the lease of real and/or tangible personal property which is the subject of a Project, and contains all of the terms and conditions with which all parties of said Lease Agreement must be in compliance. The Lease Agreement is between the IDB, as lessor, and as lessees, the PILOT Recipient, a Related Party and/or an Unrelated Party as applicable.

**“Minority”** means a person who is a citizen or lawful permanent resident of the United States and who is:

- (a) African American, a person having origins in any of the black racial groups of Africa;
- (b) Hispanic, a person of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race;
- (c) Asian American, a person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands; or
- (d) Native American, a person having origins in any of the original peoples of North America.

**“Minority-Owned Business”** means a minority-owned business that is a continuing, independent, for profit business that performs a commercially useful function, and is at least fifty-one percent (51%) owned and controlled by one (1) or more Minority individuals who are impeded from normal entry into the economic mainstream because of past practices of discrimination based on race or ethnic background.

**“New Markets Tax Credit Program”** means a federal program created under the Community Renewal Tax Act of 2000 to stimulate economic and community development in America’s low-income communities, as set forth in Section 45(d) of the Internal Revenue Code, as amended.

**“Net New Jobs”** means the number of new Full-Time Jobs in Knox County created by the Project, and based at the site(s) that is/are the subject of the Lease Agreement. Net New Jobs in Knox County shall not include any Full-Time Jobs being provided by Applicant and/or PILOT Recipient in Knox County at the time the PILOT Application is submitted to the IDB, including any jobs located at another site in Knox County at the time of the PILOT Application and moved by Applicant and/or PILOT Recipient from said other site(s) in Knox County to the Project sites(s). Provided, however, Full-Time Jobs previously located in Knox County and which are retained as a result of a Project’s continued location in Knox County may be considered to the extent that the Applicant and/or PILOT Recipient is able to provide credible evidence supporting the assertion that such jobs would otherwise be lost to another location outside of Knox County or any of its surrounding counties.

**“Payment-in-Lieu-of-Taxes” or “PILOT Payments”** means payments established by the Board to be made in lieu of ad valorem taxes on the property involved in the Project and subject to the PILOT.

**“Person”** means any individual, sole proprietorship, corporation, limited liability company, association, partnership (general, limited, or limited liability partnership), organization, business, trust, individual and Governmental Authority.

**“Person With A Disability”** means an individual who meets at least one (1) of the following:

- (a) Has been diagnosed as having a physical or mental disability resulting in marked and severe functional limitations that is expected to last no less than twelve (12) months;
- (b) Is eligible to receive social security disability insurance (SSDI); or
- (c) Is eligible to receive supplemental security income (SSI) and has a disability as defined in subparagraph (a).

**“PILOT Evaluation Matrix”** is the methodology for identifying the number of years (i.e., PILOT Term) which may be recommended for a PILOT. The PILOT Evaluation Matrix outlines the points that are awarded for the various criteria of a Project that together comprise the defined purpose of the PILOT Program. The PILOT Evaluation Matrix is attached as Appendix A.

**“PILOT Lessee”** means the individual or entity that owns the real and/or tangible personal property being contributed to the PILOT Project and leases back by the PILOT Lessee for the benefit of the PILOT Recipient and the Project. The PILOT Lessee may be the PILOT Recipient but may also be a Related Party and/or an Unrelated Party as parties to the Lease Agreement. If the PILOT Lessee is not the PILOT Recipient, the term of the basic operating lease agreement between the PILOT Lessee (original fee owner) and the PILOT Recipient (the sub-lessee) for the property must be equal to (with options to renew and/or extensions for the sub-lease taken into account) or greater than the term of the Lease Agreement.

**“PILOT Program” or “Property Tax Incentive Program”** means the Jobs PILOT Program defined by these Policies and Procedures.

**“PILOT Recipient”** means the Person or entity directly receiving a PILOT from the IDB and/or the Sponsor.

**“PILOT Term”** means the number of years for which a PILOT is approved for a Project under the PILOT Program and shall commence upon expiration of the Construction Period.

**“Policies and Procedures”** means these Jobs Recruitment Payment-in-Lieu-of-Tax Program Policies and Procedures of Board.

**“Project”** means the Project which brings together the real and/or tangible personal property (e.g., the buildings, structures, machinery, equipment, and land), Net New Jobs, Wages, Capital Investment, and other rights and obligations of the PILOT Recipient and the IDB, as approved by

the Board and memorialized in the Resolution and Lease Agreement. Each Project must comply with the definition of “Project” in Tenn. Code Ann. §7-53-101.

**“Ramp-Up Period”** means the time-period within which the PILOT Recipient must meet its Net New Jobs, Wages, and Capital Investment and any other benchmarks required in the Resolution. During the Ramp-Up Period, the PILOT Recipient receives its approved PILOT benefit and is subject to all reporting criteria, but is not subject to compliance requirements. The Ramp-Up Period shall be two (2) years, unless a longer period of time is approved by the Board, provided that in no event will such period exceed five (5) years. The Ramp-Up Period commences at the end of the Construction Period.

**“Related Party”** means the parent, owner or affiliate, including brother/sister entities, of the Applicant or PILOT Recipient.

**“Resolution”** means that resolution(s) approved and executed by the Board setting forth the PILOT benefits to be provided directly or indirectly to the PILOT Recipient for the Project.

**“Scoring Criteria”** means the Scoring Criteria described in Section V below and the PILOT Evaluation Matrix.

**“Service-Disabled Veteran”** means any person who served honorably on active duty in the armed forces of the United States with at least a twenty percent (20%) disability that is service-connected, meaning that such disability was incurred or aggravated in the line of duty in the active military, naval or air service.

**“Service-Disabled Veteran-Owned Business”** means a service-disabled veteran-owned business that is a continuing, independent, for profit business located in this state that performs a commercially useful function, and:

- (a) Is at least fifty-one percent (51%) owned and controlled by one (1) or more service-disabled veterans;
- (b) In the case of a business solely owned by one (1) service-disabled veteran and such person’s spouse, is at least fifty percent (50%) owned and controlled by the service-disabled veteran; or
- (c) In the case of any publicly owned business, at least fifty-one percent (51%) of the stock of which is owned and controlled by one (1) or more service-disabled veterans and whose management and daily business operations are under the control of one (1) or more service-disabled veterans.

**“Sponsor”** means any Person or entity with legal or economic responsibility for the Project. Typically, the Sponsor is a Related Party of the PILOT Recipient, provided that, in some instances, the Sponsor is an Unrelated Party developer for the Project. If the Project includes a Sponsor, then both the Sponsor and the PILOT Recipient will be parties to the Lease Agreement.

**“Staff”** The IDB does not have employees, and administrative and management services for the IDB are provided by The Development Corporation of Knox County. Accordingly, Staff means any employee of The Development Corporation of Knox County, and any third-party entity retained by the IDB for assistance in evaluating an Application.

**“Unrelated Party”** means any party that is not a Related Party.

**“Wage”** or **“Wages”** means the Project’s annual average wage for Full-Time Equivalent Jobs. Accordingly, “Wage” shall include regular wages, overtime pay, paid holidays, and paid vacation.

**“Woman-Owned Business”** means a woman-owned business that is a continuing, independent, for profit business that performs a commercially useful function, and is at least fifty-one percent (51%) owned and controlled by one or more women; or, in the case of any publicly owned business, at least fifty-one percent (51%) of the stock of which is owned and controlled by one (1) or more women and whose management and daily business operations are under the control of one (1) or more women.

### **Section III. GENERAL PILOT OBJECTIVES AND PROVISIONS**

A. Requirements. In accordance with the requirements of the laws of the State of Tennessee, the Board must find each Project that is presented for approval to be in the public interest and one that will increase employment within the State of Tennessee. The Board will give special consideration to the magnitude and types of jobs, wages, and positions offered or to be offered by the Applicant. Projects that result in a “net” increase in the number of jobs within the Knox County area (or a “net” savings of jobs which might otherwise be lost) will be eligible for consideration.

The Board will evaluate Projects for PILOT eligibility based on the following minimum performance standards:

1. Net New Full-Time Jobs. A Project must create at least twenty (20) Net New Jobs within the Ramp-Up Time to qualify for a Jobs PILOT.
2. Wages. A Project must have Wages that are greater than 60% of the Knox County Annual Average Wage to qualify for a Jobs PILOT.
3. Capital Investment. A Capital Investment of at least \$2,000,000 is required to be considered for a Jobs PILOT.

B. Eligible Projects. The following types of Projects, Facilities and buildings may be considered for a Jobs PILOT:

1. Industrial projects constructed to manufacture, assemble, process, fabricate, and distribute agricultural, mining, biomedical, electronics, food, chemical, alternative fuels, automobiles, or other products;
2. Pollution control projects promoting the health, welfare, and safety of the citizens of Knoxville and Knox County even without regard to employment factors;

3. Distribution facilities constructed to receive and forward goods to various locations;

4. Office buildings and service facilities that the PILOT Recipient will occupy for at least the PILOT Term;

5. Other non-retail Projects allowed by the Tennessee Code Annotated, including but not limited to Tennessee Code Annotated Section 7-53-101, but not defined above, which may be considered on a case-by-case basis.

C. Ineligible Projects. The following types of Projects shall not be considered for a Jobs PILOT:

1. Projects that are already underway or have begun construction. The utilization and occupancy of existing real property by a new Project;

2. Projects seeking to move from an adjoining county into Knox County, provided that Projects for which the Applicant is able to demonstrate by credible supporting evidence that such adjoining county does not have suitable land available for the Project may in the discretion of the Board be considered or is able to demonstrate by credible evidence supporting that such Project would otherwise be lost to another location outside of Knox County or any of its surrounding counties;

3. Projects which are composed of Facilities for which the majority of the use is retail in nature; and

4. Projects for housing, entertainment and recreation Facilities, all of which will be approved and regulated on a case-by-case basis by the Board outside these Policies and Procedures.

D. PILOT Structure. To provide the intended benefit for approved PILOT Projects, the IDB shall take title to the real and/or tangible personal property associated with the Project and shall then, pursuant to the Lease Agreement, lease such property back to the PILOT Lessee for the duration of the PILOT Term (plus the Construction Period), with the PILOT Payments being established consistent with these Policies and Procedures and as set forth in the Lease Agreement.

E. Eligible Property. Real property and certain tangible personal property to be included in the Project are eligible to be subject to PILOTs awarded by the Board pursuant hereto. Capital invested by an Applicant in the land, building, site preparation, equipment and any other tax producing improvements will be considered by the Board. No tangible personal property considered a current asset according to Generally Accepted Accounting Principles or tangible property consisting of licensed transportation property (such as motor vehicles, watercraft, railcars, and aircraft) shall be eligible for inclusion in a Project and may not be counted as part of an Applicant's Capital Investment for the determination of eligibility for a PILOT or for the purposes of determining the PILOT Term. Unlicensed transportation property may be included in a Project and receive PILOT benefits if it is solely used at the site of the Project. Because the Scoring Criteria assigns points differently for real personal and tangible personal property Capital



Investment, Capital Investment cannot be transferred between real and tangible personal property categories once the Board has approved the Applicant's Application. If an Applicant reassigns Capital Investment, the Board may require that the Applicant submit another Application for Board approval. Monthly or annual rental payments during the PILOT Term are not to be construed as part of the leasehold property improvement or increasing the value of the Applicant's Capital Investment.

F. PILOT Payments. Generally, and subject to exceptions set forth herein, PILOT Payments are established by the Board to be made in lieu of ad valorem taxes on the property which would otherwise be payable respecting the property included in the Project and subject to the Lease Agreement. **Except as may be otherwise approved by the Knox County Commission for new PILOT awards (i.e. not retroactive approval for existing PILOTs), the payment in lieu of tax freeze will be in an amount equal to 50% of the ad valorem taxes which would otherwise be payable on the real or eligible tangible personal property involved in the Project, except when there are circumstances or Project specific factors which the Board determines would warrant a higher percentage abatement, provided that, in such event, the percentage abatement can be increased to no more than 60% of the ad valorem taxes which would otherwise be payable on the property involved in the Project.** PILOT Payment amounts respecting real property improvements not yet constructed will be determined using the estimated completed value of such improvements, as determined by the Board in consultation with applicable Governmental Authorities, provided that, upon completion of such improvements, the PILOT Payment will be subject to change based in any change in value determined in connection with any formal or informal assessment of the Knox County Property Assessor respecting the Project. PILOT Payment amounts respecting eligible tangible personal property will be determined using the estimated cost to the PILOT Recipient of such personal property, subject to depreciation as set forth in the pro forma schedule provided by the PILOT Recipient as required below. Notwithstanding the foregoing, such payments shall not be less than the taxes being generated at the time the Board takes title to such property. Payment of the PILOT Payments will begin in the month following the expiration of the Construction Period, provided that until expiration of the Construction Period, the PILOT Recipient will pay payments in lieu of taxes in an amount equal to the ad valorem taxes payable respecting the subject property prior to entering into the Lease Agreement.

G. Compliance with Laws. Each PILOT Recipient, in its development, ownership, and/or operation of the Project, will be required to comply with all laws, ordinances, orders, rules, regulations, and requirements of the duly constituted public authorities, which are or shall become applicable to the Project, including those applicable to the repair and/or alteration of the properties thereof, and the use or manner of use of said properties and the Project.

H. PILOT Term. The term of the PILOT offered for a Project will be based upon an evaluation of the Project's merits, as determined by the Board in its sole discretion. Subject to the exceptions set forth herein, each Project coming before the Board will be scored based on the Scoring Criteria set forth in Section V below. The PILOT Term will not exceed fifteen (15) years, exclusive of bonus years for which the Project may be eligible, and twenty (20) years, inclusive of any such bonus years, in each case, without approval by the Knox County Commission. No PILOT shall have a term in excess of twenty (20) years without the approval of the Tennessee Commissioner

of Economic and Community Development and of the Tennessee Comptroller of the Treasury. These term limits apply to all PILOTs granted by the Board. The Scoring Criteria will be considered in accordance with all applicable state laws and applied on a case-by-case basis in evaluating Projects seeking a Jobs PILOT. Nothing contained herein, however, shall obligate the IDB or Knox County to approve an Application. To ensure that the PILOT Recipient receives the full benefit of the PILOT, the term of the Lease Agreement will be the PILOT Term plus the Construction Period.

I. Mayoral Approval. No PILOT will be awarded unless said award is approved in writing by the Mayor of Knox County.

J. Additional Real Property Related Eligibility Requirements. Applicant must demonstrate compliance with and payment of all municipal, county and state taxes due for all properties owned by it and located in Knox County at the time of the filing of its PILOT Application and, if approved, during the entire PILOT Term. Payment of taxes which are under appeal shall not be required until the appeal is finally resolved, as provided under law. Applications for a PILOT for real property must be site specific or on contiguous parcels of land. Non-contiguous sites must have separate property tax incentive Applications. A tract of real property constituting a Project with a property tax incentive currently in effect that has been abandoned or vacated, may be the subject of a new Application, if the new Application is filed within twelve (12) months after the date of the abandonment or vacation. Granting of the new property tax incentive and its term is at the sole discretion of the Board.

K. Fiscal Impact Analysis. The IDB shall complete a Fiscal Impact Analysis for each Project to provide the Board and Knox County a view of the costs and benefits of the PILOT granted respecting such Project.

L. Assignment or Transfer. No rights to a PILOT may be sold, assigned, or leased unless otherwise specified in the Lease Agreement or approved by the Board. Any sale, assignment or lease of the property covered by the PILOT (other than tangible personal property disposed in the ordinary course of business) which is not permitted in the Lease Agreement results in a forfeiture of the PILOT respecting such property.

#### **Section IV. CONFLICTS OF INTEREST**

Each Board member, each member of the Staff, and each third-party entity retained by the IDB for assistance evaluating an Application shall be responsible for disclosing any material interest which he or she may have in or with an Applicant, Sponsor, Project, or Project financing source. Any Board member, Staff member or third party entity having any material interest in a Project or having a material interest in or family relationship with an Applicant, Sponsor or Project financing source shall submit to the IDB's General Counsel a description of that interest or relationship, and the IDB's General Counsel shall advise both the IDB and the affected Board member whether the Board member needs to recuse himself or herself from consideration of and/or work on the subject PILOT Application, such recusal to include . Such recommendation of the IDB's General Counsel shall be conclusive. If recusal is recommended, Staff shall work on the PILOT Application without participation from the Board member or Staff member who recused himself or herself, and the

Board will then consider the Application without participation from the recused Board member and/or Staff member, both in the discussion of and any vote respecting the Project.

IDB's General Counsel shall not have a professional legal relationship with the Applicant, Sponsor, the Project, or the Project financing source, as such a relationship would constitute a conflict of interest hereunder. In the event of a conflict of interest involving IDB's General Counsel on a Project or Application, special counsel, which may include other IDB Counsel who has no such conflict, shall be retained by the IDB to represent it in connection with the particular Project being considered.

## **Section V. JOBS PILOT SCORING CRITERIA**

Determining whether a Project is in the public interest is the primary role served by the Board for and on behalf of the residents of Knox County and their elected representatives. This requires the Board to review each Application on a case-by-case basis and is also the reason that the Board has established the following objective criteria for use in making these determinations. These criteria are based upon the economic and physical development policies of Knox County, Tennessee, and may be changed by the Board without notice when economic and other conditions warrant.

The Board has established the Scoring Criteria listed below for the evaluation of an Application seeking a Jobs PILOT and for determining the PILOT Term. The Scoring Criteria is evaluated by the IDB for all prospective Projects according to a PILOT Evaluation Matrix, which is attached hereto as Appendix A. The PILOT Evaluation Matrix assigns a number of points for each of the Scoring Criteria and bases the property tax incentive, and the term thereof, on the final score attributed to the Project after using the PILOT Evaluation Matrix.

### **A. Basic Scoring Criteria.**

The Board has established the following categories for evaluating a Project for property tax incentives. These categories address the basic responsibility of the Board to create jobs with good wages, generate capital investment and promote overall economic growth in Knox County. The precise method of evaluation is found on the PILOT Evaluation Matrix in Appendix A, subject to the explanatory information and additional criteria set forth below. The Applicant shall be awarded one (1) year of PILOT Term for every ten (10) points in the PILOT Evaluation Matrix, subject to the maximum PILOT Term length requirements described in Section III.H. above. A Project must receive a minimum of thirty (30) points to qualify for a PILOT.

1. Net New Jobs. An Applicant will be awarded a maximum of eighty (80) points for the number of Net New Jobs. An Applicant will receive one (1) point for every five (5) Net New Jobs created directly by the Project, plus one (1) point for every 15 Indirect Jobs. To receive points for retained Full Time Equivalent Jobs, the Applicant must provide credible supporting evidence that those retained jobs would otherwise be lost to another location outside of Knox County or any of the surrounding contiguous counties.

2. Wages. An Applicant will be awarded a maximum of thirty-six (36) points for Wages. Wages must be 60% or greater than the Knox County Annual Average Wage to Qualify for a Jobs PILOT. The PILOT Evaluation Matrix begins the scoring for Wages at ten (10) points

(“Baseline Wage Score”), such that a Project with Wages that are within (+/-) 5% of the Knox County Annual Average Wage are awarded ten (10) points. For each 5% that the Wages exceeds that of the Knox County Annual Average Wage, the Project will be awarded two (2) points to the Baseline Wage Score. However, for each 5% that the Wages is less than the Knox County Annual Average Wage, the Project will be deducted two (2) points from the base. Projects with Wages that are between 65% and 70% of the Knox County Annual Average Wage receive deduction from their overall score (inclusive of Net New Jobs and Capital Investment) by two (2) points, and Projects with Wages that are between 65% and 70% of the Knox County Annual Average Wage receive deduction from such overall score four (4) points. See the Wage Scoring Chart (Table 1) of the PILOT Evaluation Matrix. Such Wage Scoring Chart will be updated from time to time by the Board and appended to these policies to reflect any changes to the Knox County Annual Average Wage.

3. Capital Investment. An Applicant will be awarded a maximum of thirty-six (36) points for Capital Investment. The PILOT Evaluation Matrix independently scores real property and tangible personal property, and tangible personal property is awarded points dependent upon the depreciable category in which such property falls (as determined by the Board in its sole discretion), such that number of points awarded varies based upon the average useful life of such property. Each Project must include a Capital Investment of at least \$2,000,000 to qualify for a Jobs PILOT. See the Capital Investment Scoring Chart (Table 2) of the PILOT Evaluation Matrix.

B. The Board may award up to a maximum of five (5) bonus years to the PILOT Term for which a Project otherwise qualifies under the Scoring Criteria, such eligibility to be based on the following criteria:

1. Location – Eligible Census Tract. One (1) bonus year will be added to the PILOT Term for Projects located within an Eligible Census Tract. Project eligibility for such bonus year is determined by the Board upon consideration of the Application.

2. Location – Brownfield or Blighted Property. One (1) bonus year will be added for Projects located within a designated Brownfield or otherwise blighted property, as recognized by applicable Governmental Authorities. Project eligibility for such bonus year is determined by the Board upon consideration of the Application.

3. DBE Business Inclusion and Minority Workforce. The Act provides that one of the purposes of the Board is to foster, encourage and support Minority-Owned Businesses and other Disadvantaged Business Entities. It is the intent of the Board to comply with this charge both in policy and practice. To this end, the Board will award a maximum of three (3) bonus years for Projects which satisfy the following criteria as of the expiration of the Ramp-Up Period:

a. If 15% to 24.999% of the PILOT Recipient’s Capital Investment respecting the Project was paid to one or more Disadvantaged Business Entities, one (1) bonus year will be added to the PILOT Term. If a percentage greater than or equal to 25.00% of the PILOT Recipient’s Capital Investment respecting the Project was paid to one or more Disadvantaged Business Entities, two (2) bonus years will be added to the PILOT Term; and

b. If the PILOT Recipient maintains a workforce that is composed of at least fifteen percent (15%) Minority employees , one (1) bonus year will be added to the PILOT Term.

No Applicant will be penalized, nor shall the PILOT Matrix Evaluation score respecting any Application be reduced, because the Applicant is not a Disadvantaged Business Entity or does not employ at least fifteen percent (15%) Minority employees.

C. These guidelines are in addition to the normal rules and procedures of the Board and do not represent an exclusive list. From time to time and without notice, other guidelines may be adopted, amended or deleted. These guidelines do, however, express the concern of the Board for:

- The creation and preservation of permanent jobs
- The preservation and expansion of the tax base
- The improvement of the environment
- The progress of the local economy
- The support of Disadvantaged Business Entities
- The encouragement of Minority hiring

D. If after the Board's approval of an Application, (i) the Project's scope, location, aesthetic appearance, or purpose changes, (ii) the Applicant receives from another Governmental Authority tax incentives that the Board considers to be in conflict with its own action, or (iii) any other change occurs that the Board considers material or adverse, the Board may notify Applicant, reconsider the Application, and modify or even revoke the property tax incentive that had been previously approved.

## **Section VI. APPLICATION PROCESS**

Any Person desiring that the Board consider providing a property tax incentive hereunder shall comply with the following Application guidelines. Nothing within these guidelines shall imply or suggest that Knox County is under any obligation to provide a property tax incentive in any amount or value to any Applicant.

A. Pre-Application. Potential Applicants and/or their representative(s) are encouraged to hold a pre-application meeting with the Staff to review the proposed Project and discuss the projected Net New Jobs, Wages, Capital Investment and other PILOT criteria, as applicable. Please note that the IDB is subject to the public records laws of the State of Tennessee. A Potential Applicant or their representative(s) shall submit to the Board and economic development officials designated by Knox County its estimates on the number of jobs, wages, capital investment, potential location, and any other company data requested by such officials. These estimates will be evaluated and presented to the Application Review Committee of the Board for recommendation or denial of a property tax incentive term. The full Board will act on the Committee's recommendation.

B. Application and Staff Recommendation. An Application for a Jobs PILOT shall be made on the IDB's PILOT application form approved by the Board from time to time. Except as the Staff may otherwise permit, PILOT Applications must be filed with Staff no later than the close

of business fourteen (14) business days prior to the Application Review Committee at which the Application is to be initially considered. The Application must be accompanied by the following:

1. Project Description
2. Project Cost Estimates
3. Employment - Current and Projected
4. Financial Statements (per the below requirements)
5. Phase I Environmental Audit Addressed to the Board (if available)
6. Parcel Information and Legal Description and a copy of the Applicant's title insurance policy, commitment or title report with respect to the real property (if available)
7. Application Fee

Applicant and, if applicable, the Sponsor, shall make available its internally prepared annual financial statements for the last two (2) fiscal years for review by Staff (or IDB's designated agent) to confirm the Applicant's and, if applicable, the Sponsor's financial ability to complete the Project as proposed. Further, if a publicly held corporation, the Applicant and, if applicable, Sponsor shall provide a copy of its latest annual report. If a privately held company, the Applicant and, if applicable, Sponsor shall provide a certified statement of the company's net worth with corresponding disclosure notes as provided in the Applicant's or Sponsor's latest interim or audited financial statements.

Each Application shall include statements that the Applicant shall not discriminate on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected under federal, Tennessee or local law.

Staff will prepare a report for, and make a recommendation to, the Application Review Committee as to the approval or disapproval of the Application and, if recommending approval, the PILOT Term, the PILOT Payment and other requirements applicable to the PILOT benefits.

C. Application Review Committee and Board Approval. Upon the Staff determining that an Application is complete and that the Project otherwise complies with these Policies and Procedures, the Application Review Committee of the Board will consider such Application at its next regularly scheduled meeting, provided that upon recommendation by the Staff and payment of applicable agenda fees described below, the Application Review Committee may consider the Application at a special-called meeting. At the meeting, the Application Review Committee will make a recommendation to be presented to the full Board of Directors as to the approval or disapproval of the Application and, if recommending approval, the PILOT Term, the PILOT Payment and other requirements applicable to the PILOT benefits. Thereafter, the full Board will consider the Application Review Committee's recommendation and the Application at its next regularly scheduled meeting, provided that upon recommendation by the Staff and payment of applicable agenda fees described below, the Board may consider the Application at a special-called meeting. Meetings of the Board and its Application Review Committee are subject to the Open Meetings Laws of the State of Tennessee.

D. Application Amendment. The Applicant may submit an amended Application within the Initiation Period (as defined below). Amendments made after that time may be accepted only upon approval of the Board. Payment of the applicable Application amendment fee shall be required upon submission of the amended Application.

E. Initiation Period. Unless otherwise specified in the Resolution, the PILOT Recipient must initiate its Project by closing on the applicable Lease Agreement(s) by the date which is the later of (i) one hundred twenty (120) days from the date of the Board approval of the Resolution, and (ii) December 31 of the calendar year in which the Resolution was approved (the “Initiation Period”). During the Initiation Period, PILOT Recipient must provide status reports to the Board. If the first Lease Agreement is not able to close during the Initiation Period, PILOT Recipient must apply prior to the expiration of the Initiation Period to the IDB for an extension of time within which to close its first Lease Agreement. In the event such extension is not requested and approved by the Board, the PILOT Recipient must submit a new Application for the Project at a later date.

## **Section VII. PAYMENTS**

A. Application Fees. Unless otherwise waived by the Board pursuant to a recommendation of the Staff, an application fee in the amount of \$5,000 must accompany any PILOT Application. The application fee is non-refundable, provided that, if the PILOT closes, such fee will be credited toward the payment of the Closing Fee (defined below). Amendments to an Application permitted hereunder or otherwise by the Board shall be subject to an Amendment Fee in the amount \$1,500.

B. Agenda Fees. If a special-called meeting of either the Application Review Committee or the Board is required, unless otherwise waived by the Board pursuant to a recommendation of the Staff, an agenda fee of \$2,500 must be submitted to the IDB prior to such Application being considered. In the event that a special-called meeting of both the Application Review Committee and the Board, then only one such agenda fee is required.

C. Fees Paid at Closing.

1. Closing Fee. A Closing Fee shall be 5% of estimated benefit over the term of the PILOT and shall not exceed \$300,000. In the event that a Closing Fee exceeds \$100,000, upon Applicant and/or PILOT Recipient’s request, the Board may permit that portion of the Closing Fee which exceeds \$100,000 to be payable in annual installments of no greater than \$100,000 on each anniversary date of the Lease Agreement until paid in full. Amendments to any Lease Agreement which result in an increase of the PILOT benefits will require the payment of an additional Closing Fee calculated in the same manner respecting such additional PILOT benefits. **All closing fees must be paid at the time of closing in immediately available funds. Closing fees must be deposited and be cleared by a banking institution prior to filing the Lease Agreement(s) (or a Memorandum thereof) with the Register’s Office for Knox County.**

In the event that a property subject to a PILOT hereunder is annexed into the City of Knoxville, an additional Closing Fee shall be assessed to the PILOT Recipient of the PILOT based upon the estimated City of Knoxville tax savings that would accrue to such PILOT Recipient as a result of the annexation.

2. Closing Expenses. The PILOT Recipient will be responsible for paying at the Closing any additional expenses related to the transaction (i.e., fees of Board counsel, title attorney fees, title insurance premiums, copies, postage, long distance telephone calls, etc).

D. PILOT Payments and Base Rent. All PILOT Recipients shall make their PILOT Payments and base rent payments as set forth in the Lease Agreement. Base rent shall be payable annually by March 1 of each year of the PILOT Term in an amount equal to \$2,000 per year, such amount being intended to compensate the Board for administrative costs associated with the PILOT.

E. Termination Fee. All PILOT Recipients must pay a termination fee equal to \$1,000 at the time of any full or partial termination of any Lease Agreement pertaining to, and the repurchase of any property subject to, the PILOT.

F. Lease Amendments and Other Documentation. Amendments to or for existing PILOT Lease Agreements involving adding or removing property subject to the PILOT (including, without limitation, joinder agreements) shall require a fee of \$1,000, provided that any amendments which result in an increase of the PILOT benefits shall also require the payment of a Closing Fee based upon the amount of additional PILOT benefits, such Closing Fee to be calculated in the same manner as set forth above. For other documentation not involved with adding or removing property from the PILOT, the PILOT Recipient shall be responsible to reimburse IDB's actual expenses, costs and reasonable attorney's fees incurred in reviewing such documents or otherwise expended by the IDB as a result of PILOT Recipient's transactions, together with an agenda fee in the amount of \$500.

G. Assignment of PILOT Benefits/Transfer Fees. Property tax incentive benefits are not assignable without the prior consent of the Board. Parties seeking a transfer of an existing PILOT shall confer with the Staff of the Board to determine the proper procedure in the specific transaction. Staff will recommend to the Application Review Committee that the transfer be approved or that a new Application be filed. The Board's Application Review Committee will then make a recommendation to the Board.

If an assignment is approved, the fees for such assignment will be as follows:

- 1% of the remaining PILOT benefits up to \$1,000,000 with a minimum fee of \$5,000.
- 1/2% of the remaining PILOT benefits over \$1,000,000 with a maximum fee of \$25,000.

The Applicant and/or PILOT Recipient shall also be responsible for all attorney fees and other costs incurred by the Board in processing the request for consent to the transfer of the PILOT.

H. Purpose of Fees. The above quoted fees are for reimbursement of the expenses of the Board, and other economic development programs as approved by the administration of Knox County. The Applicant and/or PILOT Recipient is responsible for payment of its counsel fees and other expenses attendant to the Application.



I. Late Fees.

1. Termination. Upon the expiration of a Lease Agreement, the IDB shall provide written notification to the PILOT Recipient advising it of PILOT Recipient's duty, pursuant to the Lease Agreement, to submit to the IDB all required documentation and approvals needed to enable it to execute any deeds and bills of sale necessary to transfer ownership of the Project property to the PILOT Lessee. PILOT Recipient's failure to submit the required documentation and approvals within ninety (90) days of said notification shall result in a penalty of \$2,000 per month, which shall accrue for each month or part of a month during which the PILOT Recipient fails to submit these documents, beginning ninety (90) days after said notification has been sent by the IDB.

2. Reports. If the PILOT Recipient or Sponsor fails to file any reports required under these Policies and Procedures, the PILOT Recipient shall pay a late fee of \$50 for each day the report is late (February 1 or later) until the report is filed, subject to a maximum fee of \$3,000. Late reports shall be accompanied by the payment of the late fee when filed. In addition, the PILOT Recipient shall bear the costs of inspection pursuant to Section IX herein and any attorneys' fees incurred by the Board in connection with the late filed report and the and collection of such fees.

3. PILOT Payments. The PILOT Payments shall be due and payable on the same dates as ad valorem tax payments are due to Knox County or any other applicable municipality (as the case may be). If any such PILOT Payments are not paid by the applicable delinquency dates for payment of the corresponding county, city or other applicable municipality ad valorem taxes (as the case may be), then the PILOT Recipient shall pay a penalty with respect to such delinquent PILOT payment from and after the delinquency date in the same amount as the penalty and all other charges which would be due on the corresponding county, city or other applicable municipality ad valorem taxes.

## **Section VIII. CLOSING AND OTHER REQUIREMENTS**

A. Insurance. The IDB must be listed as an additional insured on all property insurance contracts, including, without limitation, casualty and liability insurance policies and property insurance policies which cover property utilized for the Project and whose title has been conveyed to the IDB. Insurance coverage limits shall be in an amount not less than \$2,000,000 for injury or death of a single Person, \$2,000,000 for a single accident, and \$2,000,000 for property damage combined single limit coverage and an aggregate limit of \$5,000,000 (which may be satisfied with an acceptable umbrella policy). Evidence of such insurance acceptable to the Board shall be delivered at Closing and by March 1 of each year during the PILOT Term.

B. Environmental Report Requirements. The PILOT Recipient must submit a Phase I Environmental Report ("Environmental Report") with no recognized environmental conditions, for any real property being included in a Lease Agreement, unless waived by the Board, dated no more than three (3) months prior to the first Lease Agreement closing on developed real property or six (6) months prior to the first Lease Agreement closing on undeveloped real property. All Environmental Reports must explicitly grant to the IDB the right to rely on such reports. All Environmental Reports, which must be certified to the IDB, shall comply with the All Appropriate Inquiries Rule (40 C.F.R. § 312), as amended from time to time, and the following applicable

standards designed by the American Society for Testing and Materials (“ASTM”) (all as subsequently amended or modified):

1. Standard Practice for Environmental Site Assessments: ASTM E 1528-06 Assessments;
2. Standard Practice for Site Assessments: Phase I Environmental Site Assessment Process, ASTM E 1527-05; and
3. Standard Guide for Environmental Site Assessments: Phase II Environmental Site Assessment Process, ASTM E1903-11.

Subject to the specific provisions of the Lease Agreement, the PILOT Lessee and/or PILOT Recipient shall comply and ensure compliance with all applicable local, state, and federal environmental laws and regulations. In the event that the PILOT Lessee and/or PILOT Recipient discovers or receives notice from any governmental agency with regards to any environmentally hazardous material or condition affecting the PILOT property which is the subject of the Lease Agreement, the PILOT Recipient shall promptly provide written notice thereof to the IDB and shall conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other related actions required, if any, and shall indemnify and hold harmless the IDB for any and all costs associated therewith, including any costs of testing, remediation and attorney’s fees, if any.

C. Mayor’s Letter. The IDB must receive a letter from the Mayor recommending approval of the PILOT prior to the closing of the first Lease Agreement.

D. Title Opinion or Commitment. The Application must provide a title insurance policy commitment or title report issued to the IDB respecting the real property subject to the PILOT which is acceptable to the IDB.

E. Personal Property Depreciation. At the initial and any subsequent closing of any eligible tangible personal property Lease Agreement or Amendment involving the same, the PILOT Recipient shall submit to the IDB and/or its agents, if any, a then current pro forma Tennessee schedule for tangible personal property that will be the subject of the Lease Agreement.

F. Closing Deadlines. IDB’s counsel must receive notice of PILOT Recipient’s intent to close on a Lease Agreement or Amendment at least sixty (60) days prior to the expected closing date, but in no event later than November 1 of each year if the PILOT Recipient intends for the closing to be effective as of December 31. All Lease Agreements must close by the last day of January of the following year in order to be made effective as of the immediately preceding December 31. IDB’s Counsel will then prepare the necessary documents and submit them to the PILOT Recipient for approval and execution.

G. Zoning. To the extent any real property on which a Project is to be located is not properly zoned for the Project’s intended use prior to submission of the Applicant’s Application respecting such Project, then the Board’s approval of such Application shall be deemed to be subject to the Applicant’s receipt of all necessary approvals for the anticipated uses from the applicable

Governmental Authorities. As such, any such PILOT shall not close until Applicant has received such approvals. Zoning related decisions which are under appeal shall not be considered resolved until the appeal is finally resolved, as provided under law.

H. Other Real Property Specific Requirements. The Board will use the January 1 assessment for the year in which the real property to the PILOT is conveyed to the Board to determine the applicable PILOT Payment. The Board will require a title insurance policy or a title report confirming the Applicant's ownership of the real property, which title policy or report will be provided at the expense of the Applicant.

### **Section IX. POST-CLOSING REPORTING AND COMPLIANCE EVALUATION**

The Board intends to produce substantial and measurable changes and improvements to and for the economic and commercial environment of Knox County. Accordingly, it has established a follow-up system of accountability to ensure that the benefits represented by the Applicant to the Board actually come to fruition. These commitments are provided in the Lease Agreement with the PILOT Recipient. In addition, the Board requires the PILOT Recipient to annually certify in a writing signed by the PILOT Recipient's chief executive officer or other executive acceptable to the Board that the number of jobs, initial wages, and capital investment commitments have been met. The Board will annually (or at such other times it deems appropriate) evaluate each Project receiving a property tax incentive to ensure compliance with the applicable Lease Agreement.

A. Ramp-Up Period and Measurement Date Compliance. Within ninety (90) days of the expiration of the Ramp-Up Period ("Measurement Date"), the PILOT Recipient will deliver to the Board a compliance report in form and substance prescribed by the Board from time to time ("Compliance Report"), which such report shall contain all information required by the Board to determine the PILOT Recipient's compliance with the terms and requirements of the Lease Agreement and the Application and eligibility for any bonus years. Such Compliance Report will be accompanied by the following:

1. a certified listing of all employees of PILOT Recipient employed at the Project as of the Measurement Date which includes for each employee their title, date hired, and annual wage (assuming 2080 hours per year for hourly employees), and attaching (in each case, redacting any personally identifiable information of any employees, as applicable) the following:

(A) a copy of PILOT Recipient's most recently filed Form 940, highlighting the information applicable to the employees employed at the Project,

(B) a copy of each Form 941 filed by PILOT Recipient since such most recently filed Form 940, highlighting the information applicable to the employees employed at the Project, and

(C) statements from PILOT Recipient's payroll processor detailing unemployment insurance premiums paid to the state of Tennessee during the twelve (12) months immediately preceding the Measurement Date, together with a copy of PILOT Recipient's most recently filed

wage and premium filings with the Department of Labor and Workforce Development for the State of Tennessee and, if applicable, the most recently filed Multiple Worksite Report filed with such department;

2. a certification by PILOT Recipient, certifying the total Capital Investment of the PILOT Recipient with respect to the Project as of the Measurement Date in form and substance reasonably satisfactory to the Board together with copies of or access to such other supporting documentation as the Board may reasonably request;

3. a certification by the PILOT Recipient, certifying the dollar amount of contracts awarded to Disadvantaged Business Entities and the percentage of Full-Time Equivalent Jobs employed at the Project who are Minorities as of the Measurement Date; and

4. the most recent EEO-1 filed by the PILOT Recipient with the Equal Employment Opportunity Commission, or in the event the PILOT Recipient is not required to make such a filing, the information that is required to be provided in connection with such a filing, certified by the PILOT Recipient as being true and correct.

5. such other detail, backup and supporting information requested by the Board in its reasonable discretion which confirms the expenditures evidencing the Capital Investment, Wages, the number of Net New Jobs and Wages, and bonus year eligibility, in each case, as of the Measurement Date. Such additional information shall also include such information and documentation as may be requested by the Board to substantiate which Full Time Equivalent Jobs qualify as Net New Jobs.

The Board will evaluate the Compliance Report and supporting documentation in accordance with the Scoring Criteria in effect as of the date of the original Lease Agreement and award points based upon PILOT Recipient's actual performance and compliance with the Lease Agreement and Application and eligibility for bonus years ("Actual Performance Score"). In the case of non-compliance, shall take the actions set forth below in Paragraph D of this Section IX and determine whether the PILOT Recipient is in compliance with the terms of the Lease.

At the Board's election, to the extent provided in the Lease Agreement, the Board may award additional years to the PILOT Term for which the PILOT Recipient qualifies using the Actual Performance Score, provided that, in no event shall the PILOT Term exceed the applicable maximum permitted PILOT Term set forth herein.

In the event that the PILOT Recipient is eligible for bonus years or awarded additional years under the Actual Performance Score, the PILOT Recipient and the Board will amend the Lease Agreement to amend the PILOT Term accordingly. All fees applicable to amendments, including applicable Closing Fees and costs of the Board) shall be payable upon the closing of such amendment.

B. Annual Reports. By March 1 each year during the PILOT Term for a PILOT, the PILOT Recipient shall provide information in the manner described in the Lease Agreement and complete an Annual Report in a form prescribed by the Board from time to time ("Annual Report"), together

with such supporting documentation as may be reasonably requested by the Board. The Annual Report shall require inclusion of, but not limited to, the following:

1. Capital Investment – the aggregate amount of each of real property capital investment and tangible personal property capital investment for the Project.

2. Employee Report - The total number of Full Time Equivalent Employees of such the PILOT Recipients, their total salaries, the number of employees who reside in Knox County, and the gross salaries of employees who reside in Knox County. These jobs shall be reported in job classifications as required by the Board.

3. Vendor Support Report - The gross dollars spent locally on supplier and professional service contracts, to demonstrate the amounts by contract awarded and performed by businesses located in Knox County.

4. Disadvantaged Business Entities and Minority Workforce - The dollar amount of contracts awarded to Disadvantaged Business Entities during the PILOT Term, as well as the percentage of Full-Time Equivalent Jobs employed at the Project who are Minorities as of the date of the Annual Report.

C. Additional Information and Right to Audit. Upon the request of Lessor, the PILOT Recipient shall provide any and all information requested by the Board to determine the PILOT Recipient's compliance with the Lease Agreement. To the extent that any agency of Knox County or the State of Tennessee shall require of the IDB any information or documentation regarding the Project, the PILOT Recipient shall provide or otherwise assist the IDB, as needed, in the production of such information or documentation.

In addition, the IDB retains the right for its Staff and/or its agents to visit and inspect the Project periodically during the PILOT Term, typically no more often than once a year after the Ramp-Up Period, to ensure conformance with statements and representations made in the Lease Agreement. Such inspections shall be made during the Project's regular business hours, after reasonable advance notice (at least 48 hours) has been given. IDB's costs of such inspections shall be borne by the IDB. If an Annual Report is more than thirty (30) days late, then the IDB shall inspect the Project with the costs of such inspection borne by the PILOT Recipient, in addition to the any late fees payable herein. During such inspections, IDB Staff and/or IDB's consultants may physically inspect the premises and any improvements thereon, and may require non-proprietary information including, but not limited to, any necessary books, records, and accounts relating to the Project. In addition, unless prohibited by law, the IDB may obtain copies of any and all reports filed by the PILOT Recipient with the State of Tennessee or any other governmental entity, including, without limitation, reports concerning the employees or business operations of the Project. IDB's Staff and/or agents shall have their initial on-site compliance visit and inspection of the Project upon the end of the Ramp-Up Period. During this site visit, if the Capital Investment criteria are met, then the Project will be considered in compliance for Capital Investment purposes for the balance of the PILOT Term.

D. Non-Compliance and Recapture of PILOT Benefits.

1. Measurement Date Non-Compliance and Recapture. PILOT Recipients have until the end of the Ramp-Up Period to satisfy the requirements set forth in the Lease Agreement for Capital Investment, Net New Jobs and Wages. In the event that the Compliance Report and Actual Performance Score indicates that the PILOT Recipient does not qualify for the PILOT Term initially set forth in the Lease Agreement, inclusive of any bonus years for which the PILOT Recipient qualifies under the Actual Performance Score, the PILOT Term shall be automatically reduced to the number of years for which the PILOT Recipient would qualify under the Actual Performance Score.

To the extent that any such reduced PILOT Term is less than the number of years which have previously elapsed under the Lease Agreement as of such date of determination, in addition to any other remedies provided in the Lease Agreement, the Board may terminate the Lease Agreement and the PILOT Recipient shall be required to pay to the Board a recapture payment. The recapture payment will be equal to the amount of ad valorem taxes which would otherwise be payable with respect to the property subject to the PILOT had the PILOT Recipient owned fee simple title to the Project for a number of years equal to the difference, if any, between (i) the number of years which have so elapsed (after taking into account any early termination of the Lease but inclusive of any partial ), and (ii) the total number of years of the reduced PILOT Term.

2. Continued Compliance. In the event that the PILOT Recipient has not complied with the terms of the Lease at any point during the PILOT Term, the Board may exercise one or more of a number of remedies contained in the Lease Agreement. It may terminate the Lease, adjust the PILOT benefits based upon the PILOT Recipient's actual performance, enforce the payment of amounts approximating the taxes that would have been due if the incentive had been determined in accordance with the PILOT Recipient's actual performance, or take other legal action. Without limiting the foregoing, PILOT Recipients must maintain a number of Net New Jobs at the Project throughout the PILOT Term equal to seventy percent (70%) of the number required by the Lease Agreement. In the event that, at any time during the PILOT Term, the number of Net New Jobs at the Project drops below such minimum threshold, in addition to any other remedies provided in the Lease Agreement, the Lessor will have the option to terminate the PILOT.

E. Other Reporting. Upon request by the Board or as provided in the Lease, PILOT Recipients are responsible for sending copies of the Lease Agreement(s) to the State Comptroller's office:

The Office of the Comptroller  
Division of Property Assessment  
(EDA Compliance)  
425 Fifth Avenue North  
Nashville, Tennessee 37243

A copy of the transmittal letter must be sent to the Board for inclusion in the Project file.

Tenn. Code Ann. §7-53-305 requires the lessee to file with the State Board of Equalization before October 1<sup>st</sup> of each year an annual report containing a list of all the real and personal property owned by the Board and its associated entities and subsidiaries; the value of each listed property as estimated by the lessee of property; the date and term of the lease for each listed property; the amount of payments made in lieu of property taxes for each listed property; the date each listed property is scheduled to return to the regular tax rolls; and a calculation of the taxes which would have been due for each listed property if the properties were privately owned or otherwise subject to taxation. Each PILOT Recipient will be responsible for the timely completion and filing of the above report with respect to its Project. The Board requires that each lessee submit a copy of this report to the Board for inclusion in the Project file. The copy should be sent to:

The Industrial Development Board of the County of Knox  
17 Market Square, Suite 201  
Knoxville, Tennessee 37902

## Appendix A – Payment-In-Lieu-of-Tax Incentives Evaluation Matrix

BASIC SCORING CRITERIA <sup>1</sup>	Range	Max Points	Percentage
No. of New Jobs Created	20+	80	52.6%
Average Wage	\$29,804 - \$81,962	36	23.7%
Capital Investment	\$2M to \$57M****	36	23.7%
<b>TOTALS</b>		<b>152</b>	<b>100%</b>
<p style="text-align: center;"><b>JOB CREATION</b> <b>80 Maximum Points</b></p> <p><i>Projects will be awarded points for each new job contributing to the annual goal of Net New Jobs, as determined by the County.</i></p> <p><i>To receive points for retained jobs, the Applicant must provide credible supporting evidence that those retained jobs would otherwise be lost to another location outside of Knox County or contiguously surrounding counties.</i></p>	<ul style="list-style-type: none"> <li>• MUST have a minimum of 20 Net New Jobs to Qualify</li> <li>• Awards 1 point for every 5 Net New Jobs created</li> <li>• Plus 1 point for every 15 Indirect Jobs created based on RIMS II multiplier for predominant NAICS code</li> </ul>		
<p style="text-align: center;"><b>WAGES</b> <b>36 Maximum Points</b></p> <p><i>Applicants are encouraged to pay Wages above the annual average Wage in Knox County.</i></p> <p><i>The Knox County Annual Average Wage is the last published by the Tennessee Department of Employment Security.</i></p>	<ul style="list-style-type: none"> <li>• MUST be 60% or greater of the Knox County Annual Average Wage to Qualify</li> <li>• Awards 10 pts for baseline range of +/-5% of Knox County Annual Average Wage</li> <li>• Plus 1 point for each 5% above Knox County Annual Average Wage</li> <li>• Minus 2 points for each 5% below Knox County Annual Average Wage down to minus 4 points</li> </ul> <p style="text-align: center;"><b>SEE TABLE 1 FOR WAGE SCORING CHART</b></p>		
<p style="text-align: center;"><b>CAPITAL INVESTMENT</b> <b>36 Maximum Points</b></p> <p><i>Real and Personal Property for which property tax incentive benefits are being requested. Each are scored separately.</i></p>	<ul style="list-style-type: none"> <li>• PILOT Evaluation Matrix Independently scores Real &amp; Personal Property Investment</li> <li>• Capital Investment Scored as of end of Ramp-Up Period</li> <li>• Minimum Capital Investment of \$2,000,000 in Capital Investment is needed to Qualify for a Jobs PILOT</li> </ul> <p style="text-align: center;"><b>SEE TABLE 2 FOR CAPITAL INVESTMENT SCORING CHART</b></p>		
<b>BONUS YEAR SCORING (Maximum of 5 years)</b>			
<p style="text-align: center;"><b>LOCATION</b> <b>2 Maximum Bonus Years</b></p>	<ul style="list-style-type: none"> <li>• 1 bonus year for Eligible Census Tract</li> <li>• 1 bonus year for designated Brownfield property</li> <li>• 1 bonus year for designated Blighted property</li> </ul>		
<p style="text-align: center;"><b>DISADVANTAGED BUSINESS ENTITIES AND MINORITY WORKFORCE</b> <b>3 Maximum Bonus Years</b></p>	<ul style="list-style-type: none"> <li>• 1 bonus year if 15% to 24.999% of Total Capital Expenditures with Disadvantaged Business Entities by Measurement Date</li> <li>• 2 bonus years if 25% or more of Total Capital Expenditures with Disadvantaged Business Entities by Measurement Date</li> <li>• 1 bonus year if 15% or more Minority Workforce by Measurement Date</li> </ul>		

<sup>1</sup> Maximum term for a PILOT exclusive of bonus points is 15 years based upon 1 year for every 10 points. No PILOT will be awarded on Projects scoring less than 30 points. Maximum term for a PILOT inclusive of bonus points is 20 years.



**Appendix A – Table 1 – Wage Scoring Chart  
(using Knox County Average Wage as of 3/1/2021)**

<b>% of Knox County Annual Mean Wage</b>	<b>Project Wage</b>	<b>Points</b>	
165%	\$81,962 or greater	36	<b>Maximum</b>
160%	\$79,478 or greater	34	
155%	\$76,995 or greater	32	
150%	\$74,511 or greater	30	
145%	<i>\$72,027 or greater</i>	28	
140%	\$69,544 or greater	26	
135%	\$67,060 or greater	24	
130%	\$64,576 or greater	22	
125%	\$62,093 or greater	20	
120%	\$59,609 or greater	18	
115%	\$57,125 or greater	16	
110%	\$54,641 or greater	14	
105%	\$52,158 or greater	12	
100%	\$49,674 +/- 4.999%	10	<b>Target Wage</b>
95%	\$47,190 or less	8	
90%	\$44,707 or less	6	
85%	\$42,223 or less	4	
80%	\$39,739 or less	2	
75%	\$37,256 or less	0	
70%	\$34,772 or less	-2	
65%	\$32,288 or less	-4	
60%	\$29,804 Min. Qualified		<b>Does Not Qualify</b>

**Appendix A – Table 2 – Capital Investment Scoring Chart**

Property Investment (Real or Personal)	Real Property Points	Tangible Personal Property Points						
		Grp 1 pts (FF&E)	Grp 2 pts (computers, etc. & tools)	Grp 3 pts (molds, dies & jigs)	Grp 4 pts (aircraft, towers & boats)	Grp 5 pts (mfg. equip.)	Grp 6 pts (billboards, tanks & pipelines)	Grp 9 pts (vehicles)
\$2,000,000	2	1.0	0.6	0.7	1.4	1.0	1.5	0.7
\$3,000,000	3	1.5	0.9	1.0	2.1	1.5	2.3	1.1
\$4,000,000	4	2.0	1.2	1.3	2.8	2.0	3.0	1.5
\$5,000,000	5	2.6	1.5	1.7	3.5	2.6	3.8	1.9
\$6,000,000	6	3.1	1.7	2.0	4.1	3.1	4.5	2.2
\$7,000,000	7	3.6	2.0	2.3	4.8	3.6	5.3	2.6
\$8,000,000	8	4.1	2.3	2.6	5.5	4.1	6.0	3.0
\$9,000,000	9	4.6	2.6	3.0	6.2	4.6	6.8	3.3
\$10,000,000	10	5.1	2.9	3.3	6.9	5.1	7.5	3.7
\$11,000,000	11	5.6	3.2	3.6	7.6	5.6	8.3	4.1
\$12,000,000	12	6.1	3.5	4.0	8.3	6.1	9.0	4.4
\$13,000,000	13	6.6	3.8	4.3	9.0	6.6	9.8	4.8
\$14,000,000	14	7.1	4.1	4.6	9.7	7.1	10.5	5.2
\$15,000,000	15	7.7	4.4	5.0	10.4	7.7	11.3	5.6
\$16,000,000	15.5	7.9	4.5	5.1	10.7	7.9	11.6	5.7
\$17,000,000	16	8.2	4.6	5.3	11.0	8.2	12.0	5.9
\$18,000,000	16.5	8.4	4.8	5.4	11.4	8.4	12.4	6.1
\$19,000,000	17	8.7	4.9	5.6	11.7	8.7	12.8	6.3
\$20,000,000	17.5	8.9	5.1	5.8	12.1	8.9	13.1	6.5
\$21,000,000	18	9.2	5.2	5.9	12.4	9.2	13.5	6.7
\$22,000,000	18.5	9.4	5.4	6.1	12.8	9.4	13.9	6.8
\$23,000,000	19	9.7	5.5	6.3	13.1	9.7	14.3	7.0
\$24,000,000	19.5	9.9	5.7	6.4	13.5	9.9	14.6	7.2
\$25,000,000	20	10.2	5.8	6.6	13.8	10.2	15.0	7.4
\$26,000,000	20.5	10.5	5.9	6.8	14.1	10.5	15.4	7.6
\$27,000,000	21	10.7	6.1	6.9	14.5	10.7	15.8	7.8
\$28,000,000	21.5	11.0	6.2	7.1	14.8	11.0	16.1	8.0
\$29,000,000	22	11.2	6.4	7.3	15.2	11.2	16.5	8.1
\$30,000,000	22.5	11.5	6.5	7.4	15.5	11.5	16.9	8.3
\$31,000,000	23	11.7	6.7	7.6	15.9	11.7	17.3	8.5
\$32,000,000	23.5	12.0	6.8	7.8	16.2	12.0	17.6	8.7
\$33,000,000	24	12.2	7.0	7.9	16.6	12.2	18.0	8.9
\$34,000,000	24.5	12.5	7.1	8.1	16.9	12.5	18.4	9.1

**Appendix A – Table 2 – Capital Investment Scoring Chart (Con’t)**

Property Investment (Real or Personal)	Real Property Points	Tangible Personal Property Points						
		Grp 1 pts (FF&E)	Grp 2 pts (computers, etc. & tools)	Grp 3 pts (molds, dies & jigs)	Grp 4 pts (aircraft, towers & boats)	Grp 5 pts (mfg. equip.)	Grp 6 pts (billboards, tanks & pipelines)	Grp 9 pts (vehicles)
\$35,000,000	25	12.8	7.3	8.3	17.3	12.8	18.8	9.3
\$36,000,000	25.5	13.0	7.4	8.4	17.6	13.0	19.1	9.4
\$37,000,000	26	13.3	7.5	8.6	17.9	13.3	19.5	9.6
\$38,000,000	26.5	13.5	7.7	8.7	18.3	13.5	19.9	9.8
\$39,000,000	27	13.8	7.8	8.9	18.6	13.8	20.3	10.0
\$40,000,000	27.5	14.0	8.0	9.1	19.0	14.0	20.6	10.2
\$41,000,000	28	14.3	8.1	9.2	19.3	14.3	21.0	10.4
\$42,000,000	28.5	14.5	8.3	9.4	19.7	14.5	21.4	10.5
\$43,000,000	29	14.8	8.4	9.6	20.0	14.8	21.8	10.7
\$44,000,000	29.5	15.0	8.6	9.7	20.4	15.0	22.1	10.9
\$45,000,000	30	15.3	8.7	9.9	20.7	15.3	22.5	11.1
\$46,000,000	30.5	15.6	8.8	10.1	21.0	15.6	22.9	11.3
\$47,000,000	31	15.8	9.0	10.2	21.4	15.8	23.3	11.5
\$48,000,000	31.5	16.1	9.1	10.4	21.7	16.1	23.6	11.7
\$49,000,000	32	16.3	9.3	10.6	22.1	16.3	24.0	11.8
\$50,000,000	32.5	16.6	9.4	10.7	22.4	16.6	24.4	12.0
\$51,000,000	33	16.8	9.6	10.9	22.8	16.8	24.8	12.2
\$52,000,000	33.5	17.1	9.7	11.1	23.1	17.1	25.1	12.4
\$53,000,000	34	17.3	9.9	11.2	23.5	17.3	25.5	12.6
\$54,000,000	34.5	17.6	10.0	11.4	23.8	17.6	25.9	12.8
\$55,000,000	35	17.9	10.2	11.6	24.2	17.9	26.3	13.0
\$56,000,000	35.5	18.1	10.3	11.7	24.5	18.1	26.6	13.1
\$57,000,000	36	18.4	10.4	11.9	24.8	18.4	27.0	13.3