

Resolution No. R-19-11

A RESOLUTION CONSENTING TO THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF FAYETTEVILLE AND LINCOLN COUNTY, TENNESSEE NEGOTIATING AND ACCEPTING PAYMENTS IN LIEU OF AD VALOREM TAX WITH RESPECT TO A CERTAIN PROJECT IN FAYETTEVILLE, TENNESSEE, AND FINDING THAT SUCH PAYMENTS ARE DEEMED TO BE IN FURTHERANCE OF THE PUBLIC PURPOSES OF THE BOARD AS DEFINED IN TENNESSEE CODE ANNOTATED SECTION 7-53-305.

WHEREAS, the Board of Mayor and Aldermen (the "Governing Body") of the City of Fayetteville, Tennessee (the "City") has met pursuant to proper notice; and

WHEREAS, the City has previously authorized the incorporation of The Industrial Development Board of the City of Fayetteville and Lincoln County, Tennessee (the "Board") as an industrial development board duly organized and existing under the provisions of Title 53 of Chapter 7, Tennessee Code Annotated; and

WHEREAS, the City has been informed that Fayetteville CRE, LLC, a Tennessee limited liability company or an affiliated entity approved by the Board (referred to herein as the "Developer"), intends to cause the acquisition, construction, and renovation of certain real property located in the City (the "Real Property") and to equip the Real Property with certain personal property (the "Equipment") for the manufacture and sale of manufactured housing (the "Project"); and

WHEREAS, the Developer has requested the Board to acquire the Real Property and the Equipment; and

WHEREAS, the Developer has furthermore requested the Board to lease the Real Property and the Equipment to the Developer and to permit the Developer to make payments in lieu of ad valorem taxes; and

WHEREAS, Tenn. Code Ann. § 7-53-305(b) authorizes the City to delegate to the Board the authority to negotiate and accept from the lessees of the Board payments in lieu of ad valorem tax upon the finding that such payments are deemed to be in furtherance of the public purposes of the Board as defined in said Code Section.

NOW, THEREFORE, BE IT RESOLVED by the Board of Mayor and Aldermen of the City of Fayetteville, Tennessee, as follows:

1. The Governing Body hereby finds that the negotiation and acceptance by the Board of payments in lieu of ad valorem taxes consistent with this resolution are deemed to be in furtherance of the public purposes of the Board as defined in Tennessee Code Annotated Section 7-53-305, and the Governing Body hereby consents and delegates to the Board the right to negotiate and accept such payments from the Developer.

2. The terms of the agreement between the Board and the Developer concerning payments in lieu of ad valorem taxes shall be determined by the Board; provided, however the terms of such agreement shall be consistent with the terms described on Exhibit A attached hereto.

3. The Board's agreements concerning payments in lieu of ad valorem taxes relating to the Project may contain such administrative provisions not inconsistent with this resolution as the Board deems appropriate.

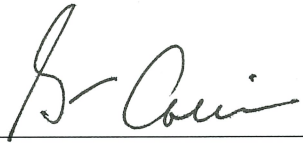
4. This resolution shall take effect notwithstanding any prior resolutions to the contrary. All other resolutions and orders, or parts thereof, in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed, and this resolution shall be in immediate effect from and after its adoption.

Adopted this the 8th day of October, 2019.



Mayor

ATTEST:



City Clerk

EXHIBIT A

27125291.1

Fayetteville - Lincoln County

Total	\$	3,6000
	\$	1,5000
	\$	2,1000

****Local Incentives - PILOT Savings**

\$ 210,189

Assumption 1. Personal Property investment is all in manufacturing machinery category, which is depreciated over seven years with a bottom value of 20% of the original basis. All equipment included in this agreement belongs in Group 5 for classification purposes.

Assumption 2) All real property and personal property will be sold to the Industrial Board and leased back to company for a token amount. At the conclusion of the PILOT, the industrial Board will transfer the property back to the project.

****Proposed PILOT Savings are subject to final approval from the Industrial Development Board, City of Fayetteville and Lincoln County Commission.**

Cost Versus Benefit Analysis for Payment In Lieu of Ad Valorem Tax

Instructions: Complete fields shaded gray. Additional comments and information about costs or benefits associated with the project may be attached.

Date: 10/1/2019

Person Completing the Form: Jordana Nelson
Title:

Lessor: The Industrial Development Board of the City of Fayetteville and Lincoln County, Tennessee
Lessee: Fayetteville CRE, LLC

Lease Term: Term Beginning Date: approximately 1/1/2020

Total Term Ending Date: 12/31/2029

Comments/Description: This PILOT is to encourage and facilitate the construction and equipping of a manufacturing facility of prefabricated homes in the City of Fayetteville, Tennessee.

Industry Group (drop down box): 31-33 Manufacturing

NAICS Code (drop down box): 321992 Prefabricated wood building manufacturing

Step 1	267	x	\$21.20	x	2080	=	\$11,773,632	x	2.610	\$30,724,470
	Number of New Jobs		Average Hourly Wage		Hours		Direct Income		Earnings multiplier*	Total New Direct, Indirect & Induced Income
Step 2	267	x	2.5253	=	674.3					
	Number of New Jobs		Employment multiplier*		Total Number of New Direct, Indirect & Induced Jobs					
Step 3	\$30,724,470	x	0.0942	=	\$2,894,245	x	\$1,753,913	x	0.162	\$284,134
	Direct, Indirect & Induced Income				New Total Annual State Tax		New Annual State Sales Tax			New Annual Local Sales Tax

Total New Direct, Indirect & Induced Jobs: 674.26
Total Direct, Indirect & Induced Income: \$30,724,470
Total of New Annual State & Local Sales Tax: \$2,038,046

Amount of Local Taxes Abated Annually: declining percentage
Date of Delegation Resolution: 10/1/2019

Market Value of Leased Real Property Improvements: \$ 4,500,000.00
Market Value of Leased Machinery & Equipment: \$ 2,000,000.00
Market Value of Leased Land: \$ 435,000.00
Total Appraised Value: not yet appraised
Total Assessed Value: not yet assessed

Annual Cost of PILOT (to be calculated internally): to be determined