

Resolution No. _____

A RESOLUTION AUTHORIZING THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF LOUDON, TENNESSEE TO NEGOTIATE AND ACCEPT FROM DUPONT TATE & LYLE BIO-PRODUCTS OR AN AFFILIATED ENTITY PAYMENTS IN LIEU OF AD VALOREM TAX WITH RESPECT TO MANUFACTURING FACILITIES IN THE CITY OF LOUDON, 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 County Commission (the "Governing Body") of Loudon County, Tennessee (the "County") has met pursuant to proper notice; and

WHEREAS, the City of Loudon has previously authorized the incorporation of The Industrial Development Board of the City of Loudon (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, DuPont Tate & Lyle Bio-products or an affiliated entity (collectively, the "Company") has requested the Board to take ownership of certain personal property to be used as part of the Company's manufacturing facilities located in the Municipality (the "Project"); and

WHEREAS, as a part of such discussions, the Company has requested that the Board own the Project and lease the same to the Company or any affiliate of the Company under an arrangement whereby the Company or any affiliate of the Company will make lease payments for the real and personal property in lieu of ad valorem taxes; and

WHEREAS, the Loudon County Economic Development Agency Board of Directors has recommended approval by the legislative bodies of the City of Loudon and Loudon County of a 5-year, 50% tax abatement as an incentive to expand the company's Loudon facility; and

WHEREAS, Tennessee Code Annotated Section 7-53-305(b) authorizes the County 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; and

WHEREAS, the acquisition and equipping of the Project would generate additional tax revenues for said County and the City of Loudon as well as create and retain employment within the City, County and region.

NOW, THEREFORE, BE IT RESOLVED by the County Commission of the County of Loudon, Tennessee, as follows:

1. The Governing Body hereby finds that the negotiation and acceptance by the Board from the Company of lease payments for a 5-year period after the Project is placed in service 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 County hereby delegates and consents to the Board negotiating and accepting such payments in lieu of ad valorem taxes from the Company.

2. The terms of the agreement between the Board and the Company concerning payments in lieu of ad valorem taxes shall be determined by the Board with the Board taking into account the benefit to the community from the acquisition, construction, equipping and operation of the Project, provided, however; that the annual lease payment in lieu of taxes shall be equal to 50% of the projected ad valorem taxes that would otherwise be collected, averaged out over the 5-year period, after the project is placed in service. The annual payment shall be a fixed annual payment of not less than **\$61,072/year** (\$37,058 to the County and \$24,014 to the City) based on an investment of \$4,381,875 in real property and \$15,441,810 in personal property.
3. The Board's agreement with the Company concerning lease payments in lieu of ad valorem taxes may provide that any ad valorem taxes paid by the Company to any taxing jurisdiction with respect to its leasehold interest in the Project shall constitute a credit against the payments in lieu of ad valorem taxes due such taxing jurisdiction.
4. The Board's agreement with the Company concerning payments in lieu of ad valorem taxes may contain such administrative provisions not inconsistent with this resolution as the Board deems appropriate.
5. 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 and approved this ____ day of _____, 2010.

Mayor

ATTEST:

County Court Clerk

DuPont Tate & Lyle Bio-Products

Phase I Expansion
Loudon, Tennessee
March 15, 2010,

Project Summary

Project involves expansion of the Company's Bio-PDO facility located within the City of Loudon. Approval by the Board of Directors is expected, but not committed at this time. Company has previously invested capital in excess of \$100M within the facility since inception. The company is only seeking information relative to a phase I project and request for consideration of a payment in-lieu of tax payment. Facility/tax information follows:

| | <u>Phase I</u> |
|---|---|
| Investment (total \$) | |
| \$ Real Property | \$4,381,875 |
| \$ Personal Property | \$15,441,810 |
| Direct employment | 5 |
| Indirect employment | |
| Construction | 46 |
| Equipment Manufacturing | 45 |
| Engineers and others | <u>22</u> |
| Total Indirect Employment | 113 |
| Construction Schedule | 21 months |
| Air Quality Permits | Minor source permit. Company will hold a town hall meeting to discuss project and answer questions. |
| <u>Anticipated Tax Revenues</u> | |
| Loudon County (5 years) | |
| Real | \$139,344 |
| Personal | <u>\$231,284</u> |
| Total Loudon County (5 years) | \$370,628 |
| City of Loudon | |
| Real | \$90,267 |
| Personal | <u>\$149,826</u> |
| Total City of Loudon (5 years) | \$240,093 |
| <u>50% Payment in Lieu of Tax Program</u> | |
| Loudon County (total 5-years) | \$185,314 |
| City of Loudon (total 5-years) | \$120,046 |
| Annual Combined Payment in Lieu of Tax | \$61,072/year |