

RESOLUTION 14-103

RESOLUTION OF INTENT TO PARTICIPATE IN TAX ABATEMENT AGREEMENT FOR POTENTIAL NEW SPRING HILL BUSINESS

WHEREAS, the City of Spring Hill, Board of Mayor and Aldermen are committed to Economic Development and the creation of jobs within the community; and

WHEREAS, Maury County Industrial Development Board has approved an offer from "Project Angus" contingent on approval by Spring Hill Board of Mayor and Aldermen for a project that will create 357 new jobs with an investment of \$16.4 million; and

WHEREAS, the company agrees to Payment in Lieu of Taxes as outlined in following letter and PILOT Incentive Project Summary regarding both real and personal property, to be attached to and part of this Resolution; and

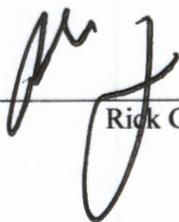
WHEREAS, "Project Angus" will be responsible for legal fees associated with the development of the Tax Abatement Agreement; and

WHEREAS, this incentive proposal is contingent upon Project Angus creating or retaining the jobs in Spring Hill; and

WHEREAS, there will be a measure of actual employment by a predetermined date agreed upon by all parties and if the measure of actual employment is below 80% of projections, the remaining tax abatement will be adjusted proportionately to the difference.

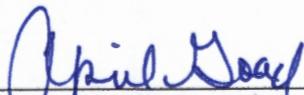
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF SPRING HILL, TENNESSEE to hereby approve this resolution of intent to participate in a tax abatement agreement between The Company, The Maury County Industrial Development Board, and the City of Spring Hill.

Passed and adopted this 18th day of August 2014.



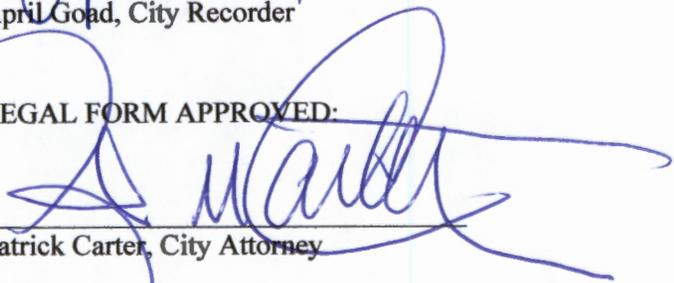
Rick Graham, Mayor

ATTEST:



April Goad, City Recorder

LEGAL FORM APPROVED:



Patrick Carter, City Attorney



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July 28, 2014

Mr. Frank W. Ervin III
Director of Government Relations
Magna International, Inc.
750 Tower Drive, Mail Code 7000
Troy, MI 48098

Dear Frank,

We are excited about the possibility of Project Angus considering Maury County. Based on the stated investment of \$16.4 Million and creation of 357 jobs, the project qualifies for the incentive package outlined below. This offer is pending consideration and approval by the Maury County Industrial Development Board and the Spring Hill Board of Mayor and Alderman. This incentive offering will also be subject to certain performance criteria. The following offer is considered to be preliminary in nature and may be reevaluated and adjusted as the project moves forward.

Tax Incentives:

- 7-year PILOT (Payment in Lieu of Taxes) for **real** property offered by Maury County and the City of Spring Hill. Based on the information received for this project, the total value of this abatement is \$692,245. Details of this program are below.

All real property will be abated using the following schedule:

- 0% tax years 1 through 5 (100% savings)
 - 20% tax year 6 (80% savings)
 - 40% tax year 7 (60% savings)
 - 100% tax years 8 and beyond
- 5-year PILOT (Payment in Lieu of Taxes) for **personal** property offered by Maury County and the City of Spring Hill. Based on the information received for this project, the total value of this abatement is \$155,345. Details of this program are below.

All real property will be abated using the following schedule:

- 0% tax year 1 (100% savings)
- 20% tax year 2 (80% savings)
- 40% tax year 3 (60% savings)
- 60% tax year 4 (40% savings)
- 80% tax year 5 (20% savings)
- 100% tax years 6 and beyond

As mentioned above, the tax incentives offered at this time are pending consideration and approval by two bodies, The Industrial Development Board of Maury County and the Spring Hill Board of Mayor and Alderman. The timeline for approval is dependent on the board, with anticipated approvals achieved in as little as 10 days, but no more than 30 days. It is also expected that Project Angus will be responsible for legal fees associated with the development of the actual PILOT agreement.



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The performance criteria mentioned above will be mutually agreed upon between The Company, The Maury County Industrial Development Board and the Spring Hill Board of Mayor and Alderman. A typical agreement will consist of a measure of actual employment (Test) on a predetermined date that is agreed upon by all parties. The number of actual employees will be compared to the projected employment numbers used to achieve the incentive offering. If the results of the test are within 80% or more of the projected number of employees, the test has passed and no penalties will be incurred. If the results are below 80%, the remaining tax abatement will be adjusted proportionally to the difference.

We recognize the value and contribution Project Angus could bring to our community and hope the proposed local incentives; totaling \$847,590 illustrates a willingness from our end to bring this project to Maury County.

Please let me know if there's anything else I can be doing to help answer questions about our incentives.

Kind regards,

Wil Evans
President, Maury County Chamber and Economic Alliance



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PILOT Incentive Project Summary

Company/Applicant:	<u>Project Angus</u>
Capital Investment:	<u>\$ 16,385,288</u>
Jobs:	<u>357</u>
Annual Average Wage:	<u>\$ 34,236</u>
PILOT Length: (Years)	<u>7</u>
County Tax Incentive:	<u>\$ 696,103</u>
City of Spring Hill Tax Incentive:	<u>\$ 151,488</u>
Total Tax Incentive:	<u>\$ 847,591</u>
Local Tax Benefit: (all sources)	<u>\$ 4,339,114</u>
Tax Savings to Company:	<u>83.97%</u>
Benefit/Cost Ratio:	<u>5.12</u>