

**MINUTES OF THE REGULAR MEETING OF
COLLIERVILLE INDUSTRIAL DEVELOPMENT BOARD**

Thursday, March 17, 2016

The Collierville Industrial Development Board held a regular advertised public meeting at 11:30am on Thursday, March 17, 2016, in the Administration Conference Room at Town Hall, located at 500 Poplar View Parkway.

1. **CALL TO ORDER:** Chairman Mark Moody called the meeting to order.
2. **ROLL CALL:** Adam Hamric took the roll. The following members of the Industrial Development Board were present: Mark Moody, Taylor Stamps, Thomas Bergeron, Terry Cochran, John Green, Stuart Brazile, Sherrie Scardino, and Ron Lawrence. Brandy Thompson was absent.

A representative of CCL Label, Kevin Vaughan of Township Development Services was present.

Also present were IDB Attorney Josh Lawhead, Economic Development Director John Duncan, Mayor Stan Joyner, Town Administrator James Lewellen, Assistant Town Administrator Josh Suddath, and Administrative Specialist Senior Adam Hamric.

3. **APPROVAL OF MINUTES:** February 25, 2016

Mr. Cochran made a motion, seconded by Mr. Stamps, to approve the minutes as written for the meeting of the Industrial Development Board on February 25, 2016.

All were in favor, none were opposed. Motion was approved.

4. **BUSINESS ITEMS**

- A. Discussion of CCL Korsini PILOT / Vote on Proposed Authorizing Resolution**

Mr. Duncan provided a brief review of the CCL Korsini Pilot presentation from February 25, 2016. He highlighted minor changes made to wage ranges since that time. Mr. Duncan then asked the Board for questions relating to the application process.

Mr. Vaughan noted that CCL General Manager Brian Evans was unable to attend the meeting due to overseas business travel.

Mr. Duncan remarked that, as opportunities arise in the future, he would like to organize plant tours for the Industrial Development Board.

Mr. Duncan and Mr. Vaughan briefly provided additional information regarding the CCL Korsini PILOT application.

Mr. Duncan stated that the applicant is seeking an eight year PILOT at 65% abatement and 35% in PILOT payments.

Mr. Cochran asked if Shelby County had approved the PILOT.

Mr. Duncan referred to Mayor Luttrell's letter, included in each Board member's packet, confirming the measurables and acknowledging his support of the 65/35 PILOT.

Mr. Moody noted that the Industrial Development Board's matrix typically assumes the 75/25 PILOT. He speculated that an 8 year 65/35 PILOT would generate more taxes to the Town than a 7 year 75/25 PILOT.

Mr. Duncan then compared and contrasted tax revenue generation, concluding that the property would generate more tax revenue with the expansion.

Mr. Green asked why CCL Korsini had not applied for a PILOT when they moved to Collierville in 2006.

Mr. Vaughan replied that at that time they did not have a point person with the Town of Collierville. He noted that they were under a considerable time constraint to move. Mr. Vaughan then commended Mr. Duncan on the work he does to promote mutually beneficial opportunities to businesses like CCL Korsini.

Mr. Duncan asked for further questions.

Without any further questions, Mr. Moody asked Mr. Lawhead to explain the proposed resolution.

Mr. Lawhead briefly explained the proposed resolution and offered to answer any questions.

Mr. Bergeron made a motion, seconded by Mr. Cochran, to approve the proposed resolution. Mr. Moody asked for discussion. With no further discussion, Mr. Moody asked Mr. Hamric to take the Roll.

All were in favor, none were opposed. Motion was approved.

5. OTHER BUSINESS

Mr. Duncan presented a financial report detailing the Industrial Development Board's Business Advantage Money Market account held with SunTrust Banks, Inc.

The State of Tennessee is seeking a fiscal agent to administer a grant to Orgill, Inc. Mr. Duncan advised that the Industrial Development Board could serve in this role, and noted that the time required to successfully carry out these duties would be negligible.

Mr. Duncan stated that the Carrier PILOT had expired on December 31, 2016. He noted that Carrier continues to be committed to both their current facility and to the Town of Collierville.

Mr. Lawhead explained that Resolution 2016-3 would allow the Industrial Development Board to enter into a lease termination.

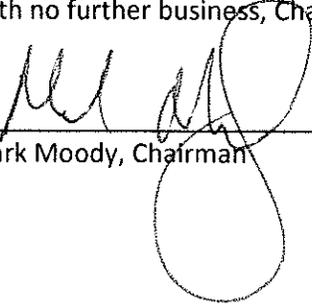
Mr. Bergeron made a motion, seconded by Ms. Scardino, to approve Resolution 2016-3.

All were in favor, none were opposed. Resolution was passed.

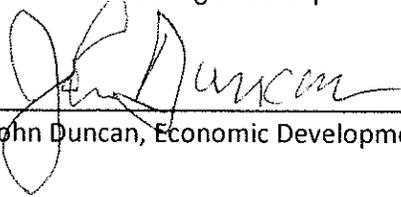
Mr. Duncan stated that the next Industrial Development Board would be held to discuss compliance reports.

6. ADJOURNMENT

With no further business, Chairman Moody adjourned the meeting at 12:15pm.



Mark Moody, Chairman



John Duncan, Economic Development Director

**BEFORE THE
INDUSTRIAL DEVELOPMENT BOARD
OF
THE TOWN OF COLLIERVILLE, TENNESSEE**

Resolution No. 2016-02

IN RE: Application of CCL Label, Inc., as Applicant, and CCL Korsini, a joint venture, as Beneficiary, for Payment in Lieu of Taxes (PILOT) Program for Real Property and Personal Property Taxes

RESOLUTION

WHEREAS, CCL Label, Inc. (“Applicant” or “Developer”) has filed an application (the “Application”) with The Industrial Development Board of the Town of Collierville, Tennessee (hereinafter the “Board”) for payment in lieu of taxes (“PILOT”) leases for real property and real property improvements between the Board, as landlord, and Applicant, as tenant, and for a lease for tangible personal property improvements located upon the real property identified in the Application, which comprises approximately 9.1 acres, and to which is assigned tax parcel number C024500354, in Collierville, Shelby County, Tennessee (the “Project”), such personal property lease requested to be by and between the Board, as landlord, and CCL Korsini, a joint venture “Beneficiary”), as tenant thereunder; and

WHEREAS, the Project will result in a significant capital investment and retention of jobs in the Town of Collierville resulting in economic development which will benefit the citizens of the Town of Collierville and of Shelby County, Tennessee; and

WHEREAS, the Board has received a letter from Mark Luttrell, Mayor of Shelby County, Tennessee dated March 14, 2016 (the “Mayor’s Letter”), memorializing, among other things, Shelby County’s approval of PILOT benefits as to Shelby County property taxes as to the real property improvements and tangible personal property improvements, and the approval of the Applicant’s proposed Diversity Plan (the “Diversity Plan”);

WHEREAS, the Board has considered the Application and the Project in an open meeting held on February 25, 2016 and an open meeting held on March 17, 2016, both meetings at the Town Hall, public notice of such meetings having been given; and

WHEREAS, the approval of a PILOT program as described in this Resolution is in furtherance of the Board’s public purposes and also meets the Board’s criteria for retention PILOTs;

NOW, THEREFORE, BE IT RESOLVED BY THE INDUSTRIAL DEVELOPMENT BOARD OF THE TOWN OF COLLIERVILLE, TENNESSEE THAT:

1. The Board hereby makes and adopts the matters in the “Whereas” clauses as findings of fact.
2. Subject to the terms of this Resolution, the Board approves the Project for PILOT leases for the personal property and real property ad valorem taxes of the Town of Collierville, Tennessee for a period of eight (8) years from the effective date of execution of the applicable instruments (the “Town PILOT Period”) with an annual payment in lieu of taxes each year for the personal property lease and the real property leases during the Town PILOT Period calculated as follows:
 - a. With respect to the tangible personal property located at the Project, for each year of the PILOT an amount equal to 35% of the then current Assessed Value of the personal property utilized for the Project, divided by 100, times the then current personal property ad valorem tax rate of the Town of Collierville; and
 - b. With respect to the real property composed of the land and the real property improvements to or upon the land located at the Project that do not exceed the value of the land plus \$7,650,000.00 in construction costs of site development and structures, an amount equal to 35% of the then current Assessed Value of the real property to be utilized for the Project, land and improvements, divided by 100, times the then current real property ad valorem tax rate of the Town of Collierville plus, as to the land only, an amount equal 65% of the Assessed Value of the land only at the date of the Application, divided by 100, times the then current real property ad valorem tax rate of Shelby County.

Provided that, after the expiration of the Town PILOT Period, the Project (including all tangible personal property, real property and improvements) shall, at all times during the remaining term of the Lease or any renewal thereof, be assessed for Town of Collierville taxes at the then current Assessed Value as if it were owned by a tax paying entity and the Lessee of the respective lease shall pay each year to the Board a payment in lieu of taxes which is equal to the taxes for the Town of Collierville, Tennessee which would be paid if the Project were owned by a tax paying entity.

The foregoing personal property PILOT is limited to cover an aggregate floating balance of not more than \$16,302,450.00 in acquisition costs of tangible personal property during the term of the PILOT (including replacements); and the real property PILOT is limited to cover not more than the value of the land which constitutes the site for this Project, plus not more than \$7,650,000.00 in construction costs of site development and improvements to be located on the land. For any portion of the tangible personal property or improvements to the real property which exceeds the foregoing limitation, there shall be assessed and paid each year a PILOT payment equal to the amount of taxes for the Town of Collierville which would be paid if such property were owned by a taxpaying entity. The Board expressly does

not authorize a PILOT for the leasehold estate created by any lease between the Board and any person or entity or any sublease with respect to the property, except as provided for herein.

3. Pursuant to (i) that certain Interlocal Agreement dated January 27, 2011 by and between the Board and Shelby County, Tennessee, and (ii) the Mayor's Letter, and subject to the terms and conditions hereof, the Board further approves the Project for a payment in lieu of taxes ("PILOT") for the tangible personal property and real property improvements ad valorem taxes of Shelby County, Tennessee for a period of eight (8) years from the effective date of execution of the applicable instruments (the "County PILOT Period"), with an annual payment in lieu of taxes each year for the personal property lease and the real property leases during the County PILOT Period calculated as follows:
 - a. With respect to the tangible personal property located at the Project that does not exceed an aggregate floating balance of \$16,302,450.00 in acquisition costs during the term of the PILOT (including replacements), for each year of the PILOT, an amount equal to 35% of the then current Assessed Value of the personal property, divided by 100, times the then current personal property ad valorem tax rate of Shelby County; and
 - b. With respect to the real property composed of the land and the improvements to the land at the Project that do not exceed the value of the land plus \$7,650,000.00 in construction costs of site development and structure, for each year of the PILOT, an amount equal to 35% of the then current Assessed Value of the land and the improvements to the land, divided by 100, times the then current real property ad valorem tax rate of Shelby County, (of which an amount equal to at least 25% of the then current Assessed Value of the land and the improvements to the land is reserved for school purposes), plus, as to the land only, an amount equal 65% of the Assessed Value of the land only at the date of the Application, divided by 100, times the then current real property ad valorem tax rate of Shelby County.

Provided that, after the expiration of the County PILOT Period, the Project (including all tangible personal property, real property and improvements to or upon the land) shall, at all times thereafter during the remaining term of the lease or any renewal thereof, be assessed for Shelby County taxes at the then current Assessed Value as if it were owned by a tax paying entity and the Lessee under the respective lease shall pay each year to the Board a payment in lieu of taxes which is equal to the taxes for Shelby County, Tennessee which would be paid if the Project were owned by a tax paying entity.

The foregoing personal property PILOT is limited to cover an aggregate floating balance of not more than \$16,302,450.00 in acquisition costs of tangible personal property during the term of the PILOT (including replacements); and the real

property PILOT is limited to cover not more than the value of the land which constitutes the site for this Project, plus not more than \$7,650,000.00 in construction costs of site development and improvements to be located on the land. For any portion of the tangible personal property or improvements to the real property which exceeds the foregoing limitation, there shall be assessed and paid each year a PILOT payment equal to the amount of taxes for Shelby County which would be paid if such property were owned by a taxpaying entity. The Board expressly does not authorize a PILOT for the leasehold estate created by any lease between the Board and any person or entity or any sublease with respect to the property, except as provided for herein. The granting of PILOT benefits hereby as to Shelby County property taxes is expressly contingent upon the Board's receipt of a complete and final Mayor's Letter. If the terms and provisions of this Resolution conflict with the terms and provisions of the Mayor's Letter as to the Shelby County benefits to be provided to Beneficiary, the terms and provisions of the Mayor's Letter shall control.

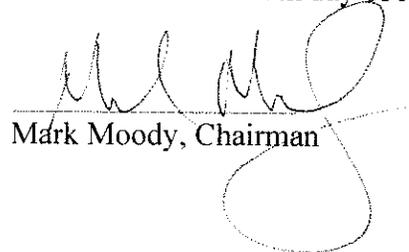
5. Subject to the conditions and provisions hereof, the Board hereby approves the Diversity Plan.
6. Subject to the conditions and provisions hereof, the Board hereby approves and authorizes the execution of one PILOT lease with Applicant for the real property contemplated herein, and one PILOT lease with Beneficiary for the personal property contemplated herein. Further, subject to the conditions and provisions hereof, the Board hereby permits a sublease between Applicant, as sublessor, and Beneficiary, as sublessee, relative to the real property and real property improvements. Each PILOT lease authorized hereunder shall include provisions requiring Applicant to pay for the Board's attorneys' fees and administrative fees incurred in the administration, interpretation, enforcement of such leases, and in monitoring compliance with such leases.
7. The approval of the Application and of the Diversity Plan, and the grant of the PILOTs are expressly conditioned upon (i) the completion of the Application, including, without limitation, delivery by Applicant or Beneficiary to the Board, and approval by the Board, of all documents required under the Application including, without limitation, a Phase I Environmental Site Assessment, and any comments to the Board's form PILOT Leases; (ii) the creation, or continuation by the Beneficiary or Applicant, as the case may be, during the terms of the PILOTs of: (a) the investments stated in the Application; and (b) the number of jobs and at the payroll levels stated in the Application, and, subject to the terms of the Application, the documents evidencing or implementing the PILOTs shall contain provisions evidencing such conditions (ii)(a) and (ii)(b) as requirements for the continuation of the leases and the PILOTs; and (iii) acquisition by Applicant of the fee interest (or, if the property is then subject to a PILOT lease with the Board, the beneficial ownership interest) in and of the real property contemplated herein.
8. The grant of the PILOT is with the express understanding and agreement with the Applicant and Beneficiary that such approval of the PILOT is conditional and is not

effective unless and until all appropriate instruments (for example, deeds, bills of sale and leases) containing provisions satisfactory to the Board Officers designated in paragraph 10 below and Board Counsel in their reasonable judgment are executed and delivered by the Board and all other parties (and where appropriate recorded in the public records).

9. The Board hereby approves the conveyance of an interest in the Project to the Board; the leasing of the Project by the Board to the Applicant as to the real property and real property improvements, and to Beneficiary as to the tangible personal property and the subleasing to Beneficiary of the real property and real property improvements at the Project; and all such other transactions as may be necessary to accomplish the Project as represented in the Application or any amendments thereto, all subject to the conditions contained herein and pursuant to such terms and conditions as may be negotiated by and among the Chairman, Vice Chairman or Secretary (the "Board Officers") in consultation with the Board Counsel, all upon such terms and conditions as the Board Officers shall deem appropriate in their sole and absolute discretion.
10. The grant of a PILOT hereunder, whether to the personal property contemplated herein, or to the real property contemplated herein, is expressly conditioned upon the successful negotiation, execution and delivery of the deeds, leases and other instruments applicable or relating to such parcel of real property (and to the personal property contemplated herein). Should the instruments effecting each PILOT lease contemplated hereby not be executed and delivered by all appropriate parties within one (1) year after the date of this Resolution, then the grant of such PILOTs may be unilaterally voided by the Board, whereupon it will be of no force or effect.
11. Any one (1) or more of the Board Officers are hereby authorized and directed, in consultation with the Board Counsel, to negotiate, execute and deliver on behalf of the Board such documents or instruments as may be necessary to accomplish the transactions contemplated by the Application and this Resolution.
12. The Board expressly does not authorize a PILOT for the leasehold estate created by any lease between the Board and any person or entity or any sublease with respect to the property, except as expressly provided for herein.

2016. **APPROVED and ADOPTED**, by the Board in public session this the 17th day of March,

BY:


Mark Moody, Chairman



**BEFORE THE
INDUSTRIAL DEVELOPMENT BOARD
OF
THE TOWN OF COLLIERVILLE, TENNESSEE**

Resolution No. 2016 - 03

IN RE: Carrier Corporation/Personal Property Lease/Termination

RESOLUTION

WHEREAS, The Industrial Development Board of the Town of Collierville, Tennessee (the "IDB"), and Carrier Corporation (the "Applicant") entered into that certain Personal Property Lease Agreement dated as of December 30, 2005 (the "Personal Property Lease");

WHEREAS, the Personal Property Lease expired by its terms on December 29, 2015;

WHEREAS, the IDB desires to approve the termination of the Personal Property Lease and the conveyance of the personal property described therein to the Applicant by Quitclaim Bill of Sale ("Quitclaim Bill of Sale").

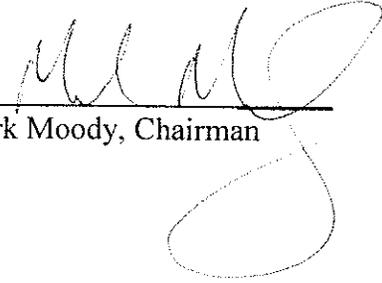
NOW, THEREFORE, BE IT RESOLVED BY THE IDB THAT:

1. The IDB hereby acknowledges the expiration of the Personal Property Lease.
2. The IDB hereby approves the execution and delivery by the IDB of the a Quitclaim Bill of Sale, and all such other matters, documents, and transactions as may be necessary to effectuate the desires of the IDB as set forth above, all pursuant to such terms and conditions as may be negotiated by and among the Board's Chairman or Secretary in consultation with the Board Counsel, and all upon such terms and conditions as the Chairman or Secretary shall deem appropriate in their sole and absolute discretion.

3. Each of the Chairman and the Secretary, are each hereby authorized and directed, in consultation with the Board Counsel, to negotiate, execute and deliver on behalf of the IDB such documents or instruments as may be necessary to accomplish the transactions contemplated by this Resolution including, without limitation, the Quitclaim Bill of Sale, a termination of the Personal Property Lease, and a closing statement..

APPROVED and ADOPTED, by the IDB in public session this the 17th day of March, 2016.

BY:



Mark Moody, Chairman