

RESOLUTION NO. 293

A RESOLUTION TO MAKE CERTAIN FINDINGS RELATING TO THE McKEE FOODS CORPORATION PROJECT, TO DELEGATE CERTAIN AUTHORITY TO THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF HAMILTON, TENNESSEE, AND TO AUTHORIZE THE MAYOR TO ENTER INTO AND EXECUTE AN AGREEMENT FOR PAYMENTS IN LIEU OF AD VALOREM TAXES.

WHEREAS, Pursuant to Tennessee Code Annotated §7-53-305(b), the City of Collegedale (the "City") is permitted to delegate to The Industrial Development Board of the County of Hamilton, Tennessee (the "Corporation"), the authority to negotiate and accept payments in lieu of ad valorem taxes from lessees of the Corporation upon a finding by the City that such payments are deemed to be in furtherance of the Corporation's public purposes; and

WHEREAS, McKee Foods Corporation (the "Company") intends to expand its manufacturing facility located at 10638 Apison Pike in Collegedale, Hamilton County, Tennessee, and to purchase of certain furniture, equipment, and other tangible personal property, and, because of the substantial economic benefits to the City resulting from the project, the Company has asked the Corporation and the City to approve payments in lieu of ad valorem taxes; and

WHEREAS, the Company expects to invest approximately \$17 million on a building and other improvements to real property ("Facility") and \$58 million in new equipment and other personal property by December 31, 2008, in the expansion; and

WHEREAS, the Company expects that when the new Facility is completed and operational, the expansion will result in at least 175 new, full-time jobs with average annual wages, excluding benefits, of \$36,800; and

WHEREAS, the Company has agreed that if its new investment in the Facility and Personal Property is less than the amounts described above, or if fewer full-time jobs than described above are created, the City and the Hamilton County, Tennessee, shall each have the right to amend the terms of that certain Agreement for Payment of Lieu of Ad Valorem Taxes to be entered into by and among the Corporation, the City, the County, the City Trustee, and the County Assessor (the "Agreement") to reduce the tax abatements prospectively and require the repayment of taxes previously abated; and

WHEREAS, the Board of Commission has determined that payments in lieu of ad valorem taxes from such a project would be in furtherance of the Corporation's public purposes as set forth within Chapter 53 of Title 7 of the Tennessee Code Annotated;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF COLLEGEDALE, TENNESSEE, that The Industrial Development Board of the County of Hamilton, Tennessee, be and is hereby authorized to negotiate and accept payments in lieu of ad valorem taxes from McKee Foods Corporation, it being further noted that this authority is for this purpose and this project only; and

BE IT FURTHER RESOLVED, that the Mayor be and is hereby authorized to enter into an Agreement in substantially the form attached hereto, with such changes thereto as the Mayor shall approve.

ADOPTED: _____, 2006

EXHIBIT "A"
TO PILOT AGREEMENT

REAL PROPERTY