

RESOLUTION #514

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

WHEREAS, pursuant to Tennessee Code Annotated, Section 7-53-305(b) the City of Collegedale, Hamilton County, Tennessee (the "City") is permitted to delegate to The Industrial Development Board of Hamilton County, 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 facilities located in the City and to purchase certain equipment and other tangible personal property for its manufacturing plants located at 10260 McKee Drive (Plant No. 2) and 10638 Apison Pike (Plant No. 5), both in the City, 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, A form of Agreement for Payment In Lieu of Ad Valorem Taxes has been submitted to the City and has been reviewed for legal sufficiency by counsel for the City; and

WHEREAS, the Company expects to invest approximately Ninety Million Dollars (\$90,000,000) on building expansions and other improvements to real property ("Facility") and Four Hundred Fifteen Million Dollars (\$415,000,000) in new equipment and other personal property (the "Personal Property") by December 31, 2034, in the planned expansion; and

WHEREAS, the Company expects that when the expansion is completed and the new production lines are operational, this expansion will result in approximately four hundred eighty (480) full-time jobs with average annual wages, excluding benefits, of Forty-Five Thousand Dollars (\$45,000); 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 Hamilton County shall each have the right to amend the terms of this Agreement to reduce the tax abatements prospectively and require the repayment of a portion of any taxes previously abated; and

WHEREAS, the City 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 COLLEGEDALE CITY COMMISSION:


That we do hereby find that the McKee Foods Corporation project described above is in the best interests of the City, and that payments in lieu of ad valorem taxes derived therefrom would be in furtherance of the Corporation's public purposes; and

That, having made such a finding in this instance, we do hereby delegate to the Corporation the authority to negotiate and accept payments in lieu of ad valorem taxes from the Company, it being further noted that this delegation is for this purpose and this project only; and

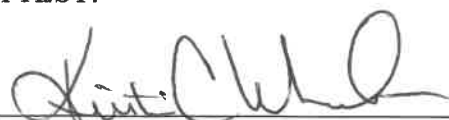
That the City Mayor is hereby authorized to enter into an Agreement for Payments In Lieu of Ad Valorem Taxes in substantially the form attached hereto, with such changes thereto as she shall approve.

BE IT FURTHER RESOLVED THAT THIS RESOLUTION TAKE EFFECT FROM AND AFTER ITS PASSAGE, THE PUBLIC WELFARE REQUIRING IT.

Adopted this the 6th day of April 2020.


Katie Lamb, Mayor

ATTEST:


Kristi Wheeler, City Recorder

APPROVED AS TO FORM:



City Attorney, Sam D. Elliott