ROANE COUNTY, TENNESSEE
PROPERTY TAX INCENTIVE PROGRAM
POLICIES AND PROCEDURES

Section I. General Purpose and Objectives*

The City of Oak Ridge, Tennessee (the "City") and Roane County, Tennessee (the "County" and together with the City, the "Local Governments") are committed to improving their local business environment and economy. In furtherance of this objective, the Local Governments have established, in cooperation with The Industrial Development Board of the City of Oak Ridge, Tennessee (the "Oak Ridge Board") and The Industrial Development Board of The County of Roane, Tennessee (the "Roane County Board") and together with the Oak Ridge Board, the "Boards"), a program to provide economic incentives to qualifying entities based on payments in lieu of taxes ("PILOT"). This program is intended to attract and retain, on a basis competitive with other local governments, businesses that provide the types of employment, capital investment, community involvement, and financial impact sought by the Local Governments for their citizens.

The Local Governments have adopted these Policies and Procedures to guide the Boards in considering and evaluating on a case-by-case basis whether particular projects in the Local Governments will be eligible for a PILOT incentive. These Policies and Procedures should not be construed to require the Local Governments or the Boards to approve a PILOT incentive for any Person. Granting a PILOT incentive is solely within the discretion of the Boards acting within the parameters of these Policies and Procedures. In order, however, to inform potential applicants for PILOT incentives of the specific criteria that the Boards will consider in evaluating applications for PILOT incentives, the Local Governments, and the Boards have adopted these Policies and Procedures to provide guidelines for evaluating requests for PILOT incentives.

The Boards administer the PILOT for the Local Governments. Each Board is a public nonprofit corporation that was established pursuant to the Tennessee Industrial Development Corporation Act ("Act"), Tenn. Code Ann. §§7-53-101 et seq. The Boards' statutory purposes include financing, owning, and leasing certain real and personal properties, which will have the effect of maintaining and increasing employment and otherwise promoting new industry, commerce, and trade in Tennessee and in particular, the Local Governments. The Boards will conduct their activities consistent with the provisions of the Act and the intent of the Local Governments as set forth in these Policies and Procedures.

Originally, these Policies and Procedures were intended to apply only to Projects that are within the County. Since the City of Oak Ridge is located in two counties, Roane and Anderson, the City utilizes these Policies and Procedures for all Projects presented to the Oak Ridge Board. These Policies and Procedures will be applied by the County and the Roane County Board to Projects that are located within the County but outside the boundaries of the City, except all references to the City in these Policies and Procedures will not be applicable in those cases. Moreover, the County reserves the right to modify these Policies and Procedures for Projects outside the boundaries of the City.

***Capitalized terms used in these Policies and Procedures that are not otherwise defined shall have the meanings given to such terms in Section III.**

Any Applicant for a PILOT shall only be required to submit an Application to one of the Boards, and only one of the Boards shall be required to consider and/or approve an Application. Any reference in these Policies and Procedures to a "Board" shall be deemed to refer to the Board to which an Application has been submitted. Only one Board shall consider an Application at one time, and if one Board takes action on an Application, the other board shall not consider an Application for the same or substantially similar Project for a period of one year. An Applicant should submit its Application to the Board that is affiliated with the Chamber of Commerce or Economic Development Organization with which the Applicant has had the primary contact in connection with its Project.

In evaluating Applications to participate in the Local Governments' PILOT program, each Board will apply the following general guidelines:

1. **Public Interest/Increased Employment** In accordance with the objectives of the Act, the Board must find that each proposed Project will be in the public interest and will increase employment within the Local Governments.

2. **Eligible Projects** The Board will only approve PILOT incentives for the following Project types:

    a. Commercial businesses that the Board determines will materially increase sales taxes for the Local Governments

    b. Distribution facilities that receive and distribute goods

    c. Office buildings and service facilities. New speculative office buildings are not eligible except as part of a mixed-use development

    d. Industrial facilities that manufacture, assemble, process, or fabricate other products

    e. Renovation and/or utilization of existing facilities as part of a new or expanding industry

    f. Manufacturing Equipment

    If a proposed Project would otherwise not be eligible for a PILOT incentive because it does not meet these guidelines but the Board determines that, based upon unique factors in the particular case, a PILOT incentive would be appropriate for the Project, the Board shall not approve such PILOT incentive without obtaining the prior approval of the Local Governments.

3. Ineligible Projects

    a. Acquisitions of properties or buildings that are speculative in nature are not eligible for a PILOT, including purchases of land for which there is no immediate need or plan. However, the construction of a speculative building can be considered at the board's discretion.

    b. Projects which are not in accordance with existing municipal master plans, existing zoning or which by their nature prevent the realization of the goals of the municipality are ineligible for PILOT without consent of the local governing boards.

4. **Evaluation Matrices** Provided a Project satisfies the first two guidelines stipulated above, the Board shall determine the term, if any, of the PILOT incentive by applying the Evaluation Matrices attached hereto as Appendices A and B. The

implementation of the Evaluation Matrices is described in more detail in Section IV. The term of any PILOT incentive shall be the same with respect to payments to both the City and County for projects that are located in the City.

If a proposed Project would be eligible for a certain PILOT Term under the Evaluation Matrices but the Board determines that, based upon unique factors in the particular case, a longer PILOT Term would be appropriate for such Project, the Board shall not approve a longer PILOT Term without obtaining the prior approval of the Local Governments.

Section II. Conflicts of Interest

Each Board member shall be responsible for disclosing any material interest that he or she may have in or with a Project or an Applicant or any financing source for a Project. Any Board member having any material interest in or with a Project or an Applicant or financing source for a Project shall submit to the Board's counsel an explanation of that interest, and the Board's counsel shall advise both the Board and Board member whether the member should recuse himself or herself from consideration of the Application. Such recommendation of the Board's counsel shall be conclusive. If recusal is recommended, the Board will then consider the Application without participation from the member or members who recuse themselves.

To avoid conflicts of interest, the Board's counsel will disclose to the Board if he has a professional legal relationship with or material interest in a Project or an Applicant or any financing source for the Project, and in the event of such a conflict involving the Board's counsel, the Board will retain special counsel to represent it in connection with the particular Project being considered. The Board, however, may waive any such conflict in appropriate circumstances.

Section III. Definitions

For purposes of these Policies and Procedures, the following terms shall have the following meanings:

"Applicant" means the Person, with the authority to legally represent the entity, applying to the Board for a PILOT incentive with respect to a Project.

"Application" means the application submitted to the Board by an Applicant to receive a PILOT incentive.
“Board” means the Industrial Development Board (IDB).

"Brownfield Site" means a parcel of property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.

"**Chief Executive Officer**" means the individual ultimately accountable for the performance of the enterprise or business unit who typically reports directly to the owner or Board of Directors and exercises independent judgment and decision-making with regard to business strategy, and key policy issues.

"**Commercial"** means retail, hotel, or recreational facilities.

"Economic Development Organization" means the Oak Ridge Economic Development Initiative (EDI), the Roane Alliance, or the Anderson County Economic Development Association.

"Economic Leakage" means the loss of sales and sales tax revenue from one community to a neighboring community.

"Energy Efficiency Building" is a building that meets or exceeds certified energy efficiency standards such as LEED®, Leadership in Energy, and Environmental Design.

"Expansion" means the addition of buildings, structures, machinery, and/or equipment for the purpose of expanding a Project.

"FTZ" means Foreign Trade Zone #148.

"Governmental Authority" means the United States, the State of Tennessee, any political subdivision of either, and any agency, department, commission, board, bureau or instrumentality of any of them.

"Greyfield" means any previously developed property that does not have known environmental contaminants but is economically nonviable in its current state and has conditions that significantly complicate its redevelopment or reuse, as determined by the Board.

"High Technology" refers to a company in a start-up phase that plans on utilizing new technology as the primary purpose of its business model. Companies choosing to pursue this designation would make a presentation to the respective Board explaining the technology, its purposes, and its uses. The respective Board will then make a determination whether the technology proposed fits this category. It is expected that high technology companies would pay a higher than average wage as one of the parameters for evaluation.

"Lease Agreement" means the lease agreement between the Applicant and the Board pursuant to which the Board leases a Project to the Applicant and agrees upon the terms of a PILOT incentive.

"Leasehold Tax" is a tax levied by the State of Tennessee and administered by the County Tax Assessor. No abatement prescribed herein affects the State leasehold tax.

"Local Company" is a company that (i) has its principal office within the Local Governments, (ii) operates one of its principal facilities in the Local Governments, or (iii) has a significant executive and management presence in the Local Governments.

"National Corporate Headquarters" means a Project that meets the following criteria as determined by the Board:

i. The entity occupying the Project must be a business or independent business unit of regional or national significance with an identifiable product or service.

ii. A significant percentage, as determined by the Industrial Development Board, of the decision-making officers or employees of such entity must work and maintain their primary offices at the proposed Project;

iii. The term “headquarters” requires that the project be the office location of a majority of the management employees of such entity; and

iv. The entity must make a significant financial commitment, as determined by the Board, to construct or improve the Project.

"Payment-in-Lieu-of Taxes" or "PILOT" means payments established by a Board to be made in lieu of ad valorem (land, building, or equipment) taxes with respect to a Project.

"Person" means any individual, sole proprietorship, corporation, limited liability company (LLC), association, partnership (general, limited, or limited liability partnership), organization, business, trustee, individual or government or political subdivision thereof or any governmental agency, with the legal authority to submit an application for a PILOT incentive.

"PILOT Term" means the period of time, in years, during which a PILOT incentive is in effect pursuant to a Lease Agreement.

"Project" means the acquisition, construction, and/or improvement of land, buildings, structures, machinery, equipment, and related improvements as described in an Application. A Project may include any Expansion that an Applicant commits to commence within three (3) years of the execution of the Applicant's Lease Agreement. Any Expansion undertaken after such date will require a new Application to be filed with the Board with respect to the Expansion. A Project must be located on a single tract of property or contiguous tracts of property.

“Speculative Buildings” means the construction of a building with no formal commitment from an end user for the finished building.

Section IV. PILOT Amount, Application of Evaluation Matrices and Alternative Calculation

PILOT Amount

If an Applicant is approved for a PILOT incentive, the amount of the PILOT for the PILOT Term shall be equal to the taxes imposed by all taxing authorities on the property and capital improvements that are the subject of the PILOT. If the property and/or capital improvements were previously exempt from taxation, it will then be an amount equal to the taxes that would have been imposed on the property and capital improvements if the property had not been so exempt.

Application of Evaluation Matrices

The Evaluation Matrices attached as Appendix A and Appendix B are intended to provide objective criteria for the Boards to assist in determining the length of the PILOT Term, if any, with respect to a Project. The Board may consider other special circumstances as it deems relevant in determining a PILOT Term with respect to a particular Project, provided, however, in no event shall the Board award more than 30 points in the aggregate under the Evaluation Matrix for special circumstances without the consent of the Local Governments.
In Roane County, the schedule of the abatement is also negotiable provided the total value of the abatement over the declining term does not exceed the total value of the equal-percentage-every-year schedule.

Industrial Matrix (Appendix A)

The Industrial Matrix is intended to provide objective criteria for the Boards to assist in determining the amount and length of the PILOT Term, if any, specific to each Project. All approved incentives are based on the Industrial Matrix. The Roane County Board only authorizes incentives within the parameters of the Matrix with the maximum PILOT Term being 14 years. The Roane County Board may elect to recommend to the Roane County Commission for consideration incentives outside the parameters of the Matrix. The Industrial Matrix contains (9) criteria(4 Evaluation/5 Bonus Points) to be considered by a Board in establishing a PILOT Term plus additional considerations for Bonus Points. The following is a brief discussion of each criterion, which discussion is intended to provide guidance as to how each criterion will be applied by the Boards:

1. **New Job Creation** The number of new jobs will be based upon estimates to be provided by the Applicant and the Boards may obtain other information as required. The estimate of new jobs will be based on the number of new jobs that are anticipated to exist at the Project site three years after completion of the Project. Permanent full-time, full-time equivalent, seasonal, and contract jobs will be considered by the Board, but seasonal and part-time employment may be appropriately weighted by the Board. The salary of new jobs must exceed the County Median Wage, as published by the Tennessee Economic Development Agency to be counted as new jobs. (see tnecd.com/county-profiles).

2. **Retained Jobs-** The number of at-risk jobs to be retained will be based on estimates provided by the Applicant and the Board may obtain other information as required. Retained jobs will only be considered when the applicant can demonstrate the desirability of consolidating of existing operations with a compelling location outside of the State of Tennessee. The applicant will submit such evidence as it is required that the alternate location exists and meets all requirements of the project including workforce, buildings, adequate infrastructure, proper licensure, and zoning. The salary of existing jobs must exceed the County Median Wage, as published by the Tennessee Economic Development Agency to be counted as retained jobs. (see tnece.com/county-profiles).

3. **Wages** – The average annualized wage that is to be paid by an Applicant, as compared to the existing per capita income published by the Tennessee Economic Development Agency (see tnecd.com/county-profiles). will be a relevant factor in the Board's consideration of an Application. An Applicant who pays an average annualized wage that surpasses 170% of the per capita income of the Local Governments may be given special consideration points. All special consideration points will be awarded at the Board's discretion.

4. **Capital Investment** – The Board will consider any Capital expenditure made by the Applicant in a Project. Special consideration on a case-by-case basis will be used to increase points to Applicants who are making more than $30 million in capital expenditures. The Matrix utilized by the Roane County Board includes points for buildings certified as energy efficient, such as LEED®. To be eligible for a PILOT incentive, an Applicant must agree to make a minimum of $1,000,000 in capital expenditures. Capital expenditures for specific items, such as land, buildings, and equipment, must be made by an Applicant in substantially the manner represented to the Board in the Applicant's Application unless the Board otherwise consents. The purchase cost of an existing facility shall not normally be considered a “new investment” for the purposes of the Matrix unless one of the following conditions is met:

    - the facility has never had a tax abatement
    - the facility has been vacant or abandoned for over 24 months

However, the cost of improvements to an existing facility is eligible for consideration.

5. Location – The location of a Project within any of the following areas will be a favorable factor:

- Designated Brownfield
- The FTZ (Foreign Trade Zone)

1. Any vacant existing business facility **Residency of new employees** -The matrix permits 20 bonus points (see the footnote in Appendix A) if at least 50% of new employees reside within Roane County. The Company must submit an annual report substantiating that 50% of the employees live within the County.

2. **Residency of Chief Executive Officer**

   The matrix permits 10 bonus points (see the footnote in Appendix A) if the Chief Executive Officer resides within the City of Oak Ridge, Anderson County, or Roane County depending on the IDB with jurisdiction.

3. **High Technology Start-Up**- Companies using new technology and/or new processes are eligible for 100% tax abatement for the first 3 years if approved by the local IDB. However, the total tax bill for the entire period of abatement would be due in the remaining years. For example, using Appendix A, a project would be eligible for a 10-year/50% abatement. The total tax bill for the entire 10 years would be $1,000,000 with $500,000 being abated. Thus, beginning in year 4, the project would pay an annual tax of $71,428 for the remaining 7 years.

Retail Matrix (Appendix B)

The Boards use the Retail Matrix as a guide along with other criteria in determining the feasibility of incentive requests.

Section V. Post-Closing Monitoring

Through the implementation of the PILOT program, the Boards intend to produce substantial and measurable changes and improvements to and for the economic and commercial environment of the Local Governments. Accordingly, each Lease Agreement with an Applicant will contain, in the manner determined by the respective Board, certain commitments relating to job creation, wage levels, and capital expenditures. The Boards will annually (or at such other times as it deems appropriate) evaluate each Project receiving a PILOT incentive to ensure compliance with the Lease Agreement applicable to the Project.

Failure of the Applicant to meet the commitments outlined in the lease agreement will result in consequences as outlined in that document, up to and including cancellation of the PILOT.

In order to assist the Boards in determining compliance with the Lease Agreements and in gathering information to help the Boards evaluate the effectiveness of its PILOT program, each Person who is a party to a Lease Agreement with the respective Board shall provide to the Board certain information in the manner described in the Lease Agreement, which information shall include, but not be limited to, the following:

1. **Capital Expenditures** – A list of all capital expenditures made with respect to the Project during the prior year.
2. **Employee Report** – To include at least the following:
    a. Total number of employees sorted by home zip code
    b. Total salaries separated by class of employee. (e.g. Executive, Managerial, and Production employees).
    c. List of jobs with job classifications in such form as is required by the Board
3. **Vendor Support Report** – The gross dollars spent locally on supplier and professional service contracts during the prior year.
4. **Comparison Criteria Report** – A comparison of the Applicant's actual job creation, wages, and capital expenditures with the Applicant's initial projections for job creation, wages, and capital expenditures as shown in the Applicant's Application.
    If any such report or other information obtained by the Board reveals that the Applicant has not complied with the Lease Agreement with respect to its employment, wage, or capital expenditure commitments, the Board will have such remedies as are provided in the Lease Agreement. The specific remedies will be set out in the Lease Agreement, but, generally, if an Applicant fails in any year to meet the employment, wage, or capital expenditure estimates provided in its Application and upon which the Evaluation Matrix was applied, the Applicant should expect that the Applicant's PILOT incentive would be proportionately reduced in that year in addition to shortening of the PILOT term and any other remedies that may be available under the Lease Agreement.

    > *For example,* if an Applicant was awarded 100 points based upon the application of the Evaluation Matrix, and the report filed by an Applicant in any year shows that the Applicant would only have been awarded 80 points for the relevant year based upon the actual facts, the Applicant would not receive 20% of its PILOT incentive for such year.

    On an annual basis, each respective Board will prepare a compilation of the information received from these reports. This annual compilation will be provided, within thirty (30) days of its completion, to the County Mayor and County Trustee of the County and the Mayor and City Manager of the City. The County Mayor will make such compilation available to the County Commission of the County, and the City Manager will make such compilation available to the City Council of the City.
    In addition, each Board will notify the County Mayor and County Trustee of the County and Mayor and City Manager of the City of any Lease Agreement that provides for a PILOT within fourteen (14) days of entering into such Lease Agreement.

Section VI. Fees

Any Person desiring that a Board consider providing a PILOT incentive shall submit an Application to the appropriate Board in a form approved by the Boards. Any Applicant shall also follow the procedures set forth in Appendix D in applying for a PILOT incentive.

1. Application Fees

An Application fee must be submitted with each completed Application. The Application Fee shall be calculated using the following chart:

The Roane County Industrial Development Board is granted the authority to waive all or part of the aforesaid application fees.

Estimated Project Capital Expenditures At the Time of Application	Application Fee
$ 1,000,000 - $ 2,500,000	$ 2,000
$ 2,500,001 - $ 5,000,000	$ 3,000
$ 5,000,001 - $10,000,000	$ 4,000
$10,000,001 - $25,000,000	$ 8,000
Greater than $25,000,000	$15,000

2. Closing Fees

A closing fee computed by Roane Alliance staff as described in this paragraph will be paid to the respective Board prior to or at the execution of the Lease Agreement. Closing fees for PILOT incentives are based on the benefits that an Applicant will receive (i.e. value of the tax savings over the applicable PILOT Term) rather than on the total Project investment. The closing fee for a PILOT incentive transaction with the Board will be 5% of the expected tax savings for the Applicant, as estimated by the staff, with a minimum closing fee of $1,500 and a maximum fee of $50,000. The Applicant receiving the PILOT incentive will also be responsible for paying expenses of the Board relating to the transaction (i.e. attorney's fees, copies, postage, long-distance calls, etc.). The Roane County Industrial Development Board is authorized to waive all or part of the aforesaid closing fees.

3. Lease Amendments

If an Applicant requests an amendment to an existing Lease Agreement, the Applicant will pay a fee of $1,000 at the time of the request.

4. Assignment Fee

If the Board approves the assignment of a Lease Agreement, the Applicant shall pay an assignment fee of 1% of the tax savings for the assignee following such assignment, as estimated by the Board, up to $1,000,000 with a minimum fee of $4,000 and 1/2% of such savings over $1,000,000 with a maximum fee of $25,000. The Applicant shall also be responsible for all expenses, including attorney's fees

incurred by the Board, in connection with such assignment.

5. **Reciprocal Fee Payment and Notification**

For PILOTS occurring within the Roane County portion of Oak Ridge that involve properties owned by a third party, an amount representing 30% of the applicable fees received by the Roane County or Oak Ridge Board pursuant to this Section shall be paid to the other board promptly upon receipt. Each Board will notify the County Mayor and County Trustee of the County and the Mayor and City Manager of the City of any Lease Agreement that provides for a PILOT within fourteen (14) days of entering into such Lease Agreement. The IDB Executive Assistant or City Staff will provide the written notification for the Oak Ridge Board.

Transactions that result from the lease or sale of property owned by either Roane County or Oak Ridge Board will be exempt from payment of reciprocal fees.

Section VII. Lease Agreement

When the Roane County Board preliminarily approves a PILOT incentive, a lease agreement will be drafted by the IDB attorney that outlines all pertinent terms and conditions of the incentive. The following items are standard inclusions in the Lease Agreement, length of the PILOT incentive, percentage of tax abatement, performance standards, reporting dates, and recovery provisions.

Section VIII. Assignment of Lease Agreement

Lease Agreements will not be assignable without the prior consent of the applicable Board. An Applicant seeking an assignment of an Agreement shall confer with the Board to determine the proper procedure in the specific transaction. The Board will then determine whether the assignment will be approved or whether a new Application should be filed by the assignee.

Section IX. Roane County – Application Administrative Process (See Appendix C)

Section X. Intentionally Deleted

Section XI. Environmental Report Requirements

Each Applicant shall submit with its Application, the most recent Phase I Environmental Site Assessment Report (unless the Project consists only of new equipment) with respect to the proposed Project site. All such reports must grant to the Board the right to rely on such reports. All Phase I Environmental Site Assessments submitted to the Board should substantially conform to the ASTM standards. An Environmental Assessment or Environmental Impact Statement performed by or on behalf of the U.S. Department of Energy may substitute for an Environmental Site Assessment. The environmental contamination of a Project site may be a basis for rejecting an Application if the Board's counsel advises the Board that the respective Board or the Local Governments would have any obligation to remediate the contamination if the Board acquires the Project site.

Section XII. Miscellaneous

These Policies and Procedures shall not be construed to create any type of contract or agreement between the Board or the Local Governments and any third party, including any Applicant. Notwithstanding any provision of these Policies and Procedures to the contrary, the Boards retain the right, in their sole discretion, not to enter into any Lease Agreement with any Applicant and not to approve any Application for a PILOT incentive. If the Applicant does not enter into a Lease Agreement within six (6) months of the initial approval period, the Applicant must then provide the Board with a written report detailing the status of their Project and whether they still intend to close the approved PILOT incentive. If any Applicant does not enter into a Lease Agreement with respect to a proposed Project within one year of the initial approval by the Board of the Applicant's Application for a PILOT incentive, that Applicant's Application shall be deemed to be withdrawn, and the Applicant shall be required to resubmit a new Application if the Applicant wants the Board to continue to consider the Applicant's Project for a PILOT incentive.

Section XIII. Program Term

Each Board is authorized to negotiate PILOT incentives pursuant to these Policies and Procedures for a period of three years from the date these Policies and Procedures are approved by the County Commission or City Council of the Local Governments. After such date, the Boards shall not be authorized to negotiate PILOT incentives pursuant to these Policies and Procedures unless the County Commission of the County and the City Council of the City have reviewed these Policies and Procedures.

Section XIV. Modifications

Boards and Local Governments must approve any modification of these Policies and Procedures except as provided in Section I.

APPENDIX A
INDUSTRIAL EVALUATION MATRIX

Job Creation			Job Retention			Wages		Investment			Abatement		
Maximum 30 Points			Maximum 15 Points			Maximum 30 Points		Maximum 90 Points			Refer to Notes		
Points awarded due to each new job created due to the project			Points awarded for each "at risk" job associated with the project (see note below)			Points awarded for improving the per capita income as defined		Capital expenditures to me made by Applicant at project site			Maximum abatement is 50% for period indicated (see notes)		
Jobs Created			Jobs Retained										
Number of Employees		Points	Number of Employees		Points	Wages	Points	Amount		Points	Total Score		Years
1	15	2	1	15	1	120%	5	$1,000,000	$3,000,000	2	21	30	2
16	30	4	16	30	2	130%	10	$3,000,001	$6,000,000	4	31	40	3
31	45	6	31	45	3	140%	15	$6,000,001	$10,000,000	6	41	50	4
46	60	8	46	60	4	150%	20	$10,000,001	$15,000,000	8	51	60	5
61	75	10	61	75	5	160%	25	$15,000,001	$20,000,000	10	61	70	6
76	90	12	76	90	6	170%+	30	$20,000,001	$25,000,000	15	71	80	7
91	105	14	91	105	7			$25,000,001	$30,000,000	20	81	90	8
106	120	16	106	120	8			$30,000,001	$35,000,000	25	91	100	9
121	135	18	121	135	9			$35,000,001	$40,000,000	30	101	110	10
136	150	20	136	150	10			$40,000,001	$45,000,000	35	111	120	11
151	165	22	151	165	11			$45,000,001	$50,000,000	40	121	130	12
166	180	24	166	180	12			$50,000,001	$55,000,000	45	131	140	13
181	195	26	181	195	13			$55,000,001	$60,000,000	50	141	150	14
196	210	28	196	210	14			$60,000,001	$65,000,000	55	150+		15
211	225+	30	211	225+	15			$65,000,001	$70,000,000	60			
								$70,000,001	$75,000,000	65			
								$75,000,001	$80,000,000	70			
								$80,000,001	$85,000,000	75			
								$85,000,001	$90,000,000	80			
								$90,000,001	$95,000,000	85			
								$95,000,001	$100,000,000	90			

Available Bonus Points
10 Points if project is a corporate headquarters
10 Points if project is on a Brownfield
10 points if building is certified for energy efficiency (such as LEED)
10 Points if Chief Executive Officer resides within city of Oak Ridge or Roane County depending on IDB jurisdiction
20 Points if 50% of employees reside within City of Oak Ridge or Roane County depending on IDB with jurisdiction

Notes:

1) The maximum abatement in the City of Oak Ridge, Anderson County or Roane County is 50%.
2) Investments greater than $200 million will be separately evaluated for abatements of up to 100% if approved by the local IDB.
3) Job retention credit is typically not available for any project where a previous PILOT was provided or completed within the last 5 years.
4) High Technology Start Up companies may be eligible for 100% tax abatement for three years upon Board approval, subject to "catch up" provisions as specified.

APPENDIX B COMMERCIAL EVALUATION MATRIX	
Investment	**Retail**
$1,000,000 to $5,000,000	25% 5 years
> $5,000,000	33% 5 years
> $15,000,000	33% 10 years

APPENDIX C
PILOT INCENTIVE PROGRAM
PROCEDURES

I. An Applicant should first arrange a pre-application conference with a representative of the Board to discuss the PILOT incentive procedure as it relates to the Applicant's Project.

2. The Applicant shall file its Application (which shall be in the form of Appendix B) and all documentation pertaining to the Application with the Board no less than 14 days prior to a scheduled meeting regarding the proposed PILOT. The following information must accompany the Application unless waived by the Board.

   a. Financial Statements - preferably audited statements, at least statements reviewed by CPA
   b. Phase I Environmental Audit Addressed to the Board or equivalent
   c. Application Fee

3. Based on the Application, the Board will determine whether to give preliminary approval for a PILOT incentive. If preliminary approval is given, the Board's counsel will prepare the form of the Lease Agreement and negotiate the form of such Lease Agreement with the Applicant's designated representative.

4. If the Applicant and the Board's counsel agree on the proposed form of a Lease Agreement, such Lease Agreement shall be submitted to the Board for its approval. If the Applicant's matter is to be considered at a meeting of the Board, a representative of the Applicant should attend such a meeting.

5. Upon Board approval of the Lease Agreement, a date for the closing can be scheduled immediately. The following documents are needed at closing:

   a. Lease Agreement
   b. Special Warranty Deed (if real property is involved)
   c. List of Encumbrances on the Property
   d. Bill of Sale (if personal property is involved and has been acquired)

   All closing fees must be paid at the time of execution of the Lease Agreement. Only a certified or cashier's check or other collected funds will be accepted.

6. Upon closing, appropriate documentation will be filed with the County Register's Office. Originals of all documents will be held by the Board or its counsel. The Board's counsel will file a copy of the Lease Agreement with the County Mayor of Roane County and the Mayor of the City of Oak Ridge and with the State Comptroller's office at the following address:

   The Office of the Comptroller
   Division of Property Assessment
   50 I Deaderick Street
   Suite 1400 (EDA Compliance)
   Nashville, Tennessee 37243-0277

7. In accordance with these Policies and Procedures, Applicants will be required to file annual compliance reports with the Board.

8. Tenn. Code Ann. §7-53-305 requires the lessee under each Lease Agreement to file with the State Board of Equalization before October 1st of each year an annual report containing a list of all the real and tangible personal property owned by the Board subject to the Lease Agreement; the value of each listed property as estimated by the lessee of property; the date and term of the lease for each listed property; the amount of payments made in lieu of property taxes for each listed property; the date each listed property is scheduled to return to the regular tax rolls; and a calculation of the taxes which would have been due for each listed property if the properties were privately owned or otherwise subject to taxation. Each Applicant will be responsible for the timely completion and filing of such reports with respect to its Project, and failure to timely complete and file the report may subject such Applicant to the penalties set forth in the Act. The Board requires that each Applicant submit a copy of each such report to the Board for inclusion in the Project file. The copy should be sent to:

Roane County Industrial Development Board
1209 N. Kentucky Street
Kingston, TN 37763