

HARTSVILLE/TROUSDALE COUNTY GOVERNMENT

**STEERING COMMITTEE**

*Dwight Jewell, Chair  
Jerry Ford, Vice Chair  
Beverly Atwood, Secretary*

*Gary Claridy  
Bill Fergusson  
T Bubba Gregory  
Landon Gulley*

*Richard Harsh  
David Nollner  
Lonnie Taylor  
Stephen Chambers, Mayor*

**AGENDA**

**THURSDAY, MARCH 10, 2022 | 6:00 PM | TC COURTHOUSE**

1. Open Meeting
2. Review Minutes from February 1, 2022
3. Items to be Reviewed
  - A. PILOT program
  - B. Retroactive Pay Policy
4. Other Discussion
5. Public Comment
6. Adjourn

# ***Steering Committee Minutes | February 1, 2022***

Jewell called the Steering Committee to order at 6:00pm. In the Trousdale County Upstairs Courthouse.

## **Attendance:**

The following attended: Dwight Jewell, David Nollner, Richard Harsh, Jerry Ford, Terry Gregory, Gary Claridy, Lonnie Taylor, Bill Fergusson, Mayor Chambers and Beverly Atwood.

1. Review of the minutes from January 04, 2022: Motion made by Ford. Harsh seconded; all in favor.  
**RFQ on Jail** have not sent out yet. Changes to be sent to Mr. Bellar by tomorrow or the next, reviewed by Bob Bass and others. Looking at where to purchase land for jail. 3 places
2. There has been a Called Budget Meeting scheduled at 6:00 covering wage study.  
Jewell: Put in policy for cost of wage not cost of living to address this due to replacement of employees. If we embrace idea to do an automated steps scale ½ this year or some next. If implement do all at once?
3. **Grant on traffic lights**  
Mayor: Intersection at Bank/Grilled Cheese [Broadway/McMurry/Hwy 25] was bid on December 10, 2021. Awaiting response. Schedule is 18 months: construction time to completion.
4. **Traffic signal modification program**  
Cost on light TDOT project up to \$100,000 with battery backup. Signs downtown working with TDOT on that due to specs.  
Claridy: Intersection contractor moving all water, utilities etc.?  
Mayor: They will collaborate with them to move all.  
Ford: Governors speak into infrastructure etc.  
Notice in Vidette for 3-year transport plan 2023
5. Planning Commission: Remaining sidewalk project from intersection up to Littleton St both sides to make ADA.
6. Bridge Project legal and physical possession of property. No feedback from TDOT on 201 Broadway to fix foundation. Will need to tear down the building; may use as parking. Send to planning after TDOT reviews.
7. Jewell: Are there more grants available for Volunteer Fire Department. Some talk with Jay Woodard and think some are available. Register us as a state fire department. No more can be 51% paid have to volunteer.
8. Ford: Status on the wall at Gravely Hill. Project next couple of weeks to start construction.
9. Harsh: 231 and 25 intersection caution lights in past – traffic signal needed especially during rush hour. Would it be state issue?  
Jewell: Traffic study was right at close for needing but would come back to reevaluate. Maybe follow up with TDOT for a follow-up.  
Mayor: Reached out but must do a safety study or possibly a roundabout.
10. TTCC contract pay raise with employees.
11. Public comments:  
Bryan King: Industrial development agree with mayor about parking. Would it be possible to lease or purchase the playground at old day care across from the Southern Shears on River Street?  
Ford: Any other companies wanting to go into Industrial Park?  
King: Not currently?
12. Ford: Made a motion to adjourn. All in favor.

Other Discussion: None

Minutes taken by Secretary Atwood.

**HARTSVILLE/TROUSDALE COUNTY  
PILOT PROGRAM POLICIES AND  
PROCEDURES**

**SECTION I**  
**GENERAL PURPOSES AND OBJECTIVES<sup>1</sup>**

Hartsville/Trousdale County (“Trousdale County”) is committed to improving its local business environment and economy. In furtherance of this objective, the City of Hartsville/Trousdale County Consolidated Government (“Consolidated Government”) has, in cooperation with the Hartsville/Trousdale Industrial Development Board, 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 Trousdale County for its citizens.

Trousdale County established the Property Tax Incentive Program, and these Policies and Procedures, to consider and evaluate on a case-by-case basis certain economic and business development opportunities. It is under no obligation to grant a property tax incentive to any Applicant. Granting these incentives is solely within the discretion of Trousdale County. In order, however, to inform potential Applicants of specific criteria for these incentives, Trousdale County and the Hartsville/Trousdale Industrial Development Board have established basic criteria and guidelines for Applicants, including a grading matrix based upon factors that the County considers essential for any property tax incentive.

The Board administers the PILOT for the Consolidated Government. The 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 Board’s 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 Consolidated Government. The Board will conduct its activities consistent with the provisions of the Act and the intent of the Consolidated Government as set forth in these Policies and Procedures.

These Policies and Procedures are intended to apply to Projects that are wholly or partially within Trousdale County. These Policies and Procedures will be applied by the Hartsville/Trousdale Industrial Development Board. Trousdale County reserves the right to modify these Policies and Procedures.

In evaluating Applications to participate in the Consolidated Government’s PILOT program, the Board will apply the following general guidelines:

1. Public Interest/Increase 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 Trousdale County area. The Board will give special consideration to the magnitude and type of jobs, wages, and positions offered or to be offered by the Applicant. Projects that result in a “net” increase in the number of jobs within the

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<sup>1</sup> Capitalized terms used in these Policies and Procedures that are not otherwise defined shall have the meanings given to such terms in Section II.

- Trousdale County area (or a “net” savings of jobs which might otherwise be lost) will be eligible for consideration.
2. Eligible Projects: The Board has identified the following types of Projects for property tax incentives, so long as the proposal meets the Board’s other criteria:
    - (a) Industrial projects constructed to manufacture, assemble, process, fabricate, and distribute agricultural, mining, or manufactured products.
    - (b) Distribution Facilities constructed to receive and forward final goods to various locations, and service facilities including any accompanying office space and any single tenant service industry.
  3. Guidelines: Provided a Project satisfies the first two guidelines stipulated above, the Board shall determine the term, if any, of the PILOT incentive based on the Evaluation Matrix. The implementation of the Evaluation Matrix is described in further detail in **Section III**.

## **SECTION II**

### **DEFINITIONS**

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

"Applicant" means the Person applying to the Board to enter into a Lease Agreement that would include a PILOT incentive with respect to a Project.

"Application" means the application submitted to the Board by an Applicant to receive a PILOT incentive.

The “Board” means the Hartsville/Trousdale Industrial Development Board

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

“Lease Agreement” means the formal contract between the Lessee and the Hartsville/Trousdale Industrial Development Board containing the terms and conditions of the Agreement and property tax incentives.

“Lease Term” means the period of time, in years, during which the property tax incentive is in effect, from commencement of the Lease Agreement.

"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, association, partnership (general, limited, or limited liability partnership), organization, business, trust, and governmental authority.

"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 of an existing building or structure or additional machinery, equipment and related improvements. Any Expansion undertaken after such date will require a new Application to be filed with the Board with respect to the Expansion

"Total Project Investment" means the total value of all capital expenditures on real and personal property planned for the Project as proposed by the Applicant and approved by the Board

### **SECTION III PILOT AMOUNT AND APPLICATION OF EVALUATION MATRIX**

#### **PILOT Amount**

If an Applicant is approved for a PILOT incentive at the discretion of the Board, the amount of tax abatement for the Applicant the PILOT Term shall be equal to taxes imposed by all local taxing authorities on the Total Project Investment.

An applicant shall be obligated to make a PILOT payment to the Consolidated Government's Trustee annually for the taxes that would have been imposed on any real and personal property above the Total Project Investment.

#### **Application of Evaluation Matrix**

The Evaluation Matrix is intended to provide objective criteria for the Board 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.

#### *PILOT Eligibility Matrix*

The PILOT Eligibility Matrix is intended to provide objective criteria for the Board 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 PILOT Eligibility Matrix. The Board only authorizes incentives within the parameters of the Matrix with the maximum PILOT Term being 7 years. The Board may elect to recommend to the County Commission for consideration incentives outside the parameters of the Matrix. The Matrix is attached hereto as Exhibit A.

The PILOT Eligibility Matrix contains three criteria to be considered by a Board in establishing a PILOT Term. The following is a brief discussion of each criterion, which discussion is intended to provide guidance as to how each criterion will be evaluated:

1. New Jobs - The number of new jobs will be based upon estimates to be provided by the Applicant; the Board may obtain other information as required. The estimate of new jobs will be based upon the number of new jobs that are anticipated to exist at the Project site three years after completion of the Project.
2. Better Jobs - The average annualized wage that is to be paid by an Applicant, as compared to the existing wages in Hartsville/Trousdale.

3. Capital Investment - The Board will consider any capital expenditure made by the Applicant in a Project, including land, building, and equipment.

#### **SECTION IV POST-CLOSING MONITORING**

Through the implementation of the PILOT program, the Board intends to produce substantial and measurable changes and improvements to and for the economic environment of the Consolidated Government. Accordingly, each Lease Agreement with an Applicant will contain, in the manner determined by the Board, certain commitments relating to job creation, wage levels, and capital expenditures. The Board may from time to time evaluate each Project receiving a PILOT incentive to ensure compliance with the PILOT Agreement and Lease Agreement applicable to the Project.

Upon the request of the Board, an Applicant shall furnish information the Board deems necessary for it to evaluate a proposal.

#### **SECTION V FEES**

##### **1. Board Premium**

A closing fee computed as described in this paragraph will be paid by the PILOT applicant to the Industrial Development Board prior to or at the execution of the Lease Agreement. Closing fees for PILOT incentives are based on the Total Project Investment. The closing fee for a PILOT incentive transaction with the Board will be Five Hundred Dollars plus 0.0005% of the Total Project Investment as authorized by the Board, to be paid at closing. The Applicant receiving the PILOT incentive will also be responsible for paying expenses of the Board relating to the transaction, including its Issuer's Counsel Fees as regulated by the Board.

#### **SECTION VI MISCELLANEOUS**

These Policies and Procedures shall not be construed to create any type of contract or agreement between the Board or the Consolidated Government and any third party, including any Applicant. Notwithstanding any provision of these Policies and Procedures to the contrary, the Board retains the right, in its sole discretion, not to enter into any Lease Agreement with any Applicant and not to approve any Application for a PILOT incentive.

## PROCEDURES FOR PILOT AGREEMENT

1. An applicant, or applicant's counsel, should reach out to one of the below listed representatives of the Industrial Development Board (the "Board") to begin discussions about a proposed project and incentive program. The following representatives can be contacted:
  - A. Project Manager or President, Tennessee Central Economic Authority
  - B. Board Chairman
  - C. Mayor of Hartsville/Trousdale County
  
2. The applicant should be prepared at the appropriate time to furnish the following information:
  - (a) Project Description
  - (b) Project Cost Estimate
  - (c) Employment - Current and Projected
  - (d) Financial Statements - preferably audited statements, at least statements reviewed by a CPA
  - (e) Phase I Environmental Report
  - (f) Parcel Information and Legal Description and a copy of the Applicant's title insurance policy, commitment, or title report with respect to the real property
  - (g) Contact information for applicant's counsel
  
3. Steps for a PILOT consideration and approval.
  - (a) The Preliminary Approval Committee. The Mayor, Chairman of Industrial Development Board and an appointed private citizen<sup>2</sup>, will review the applicant's proposed investment plan and make recommendations stipulating the proposed terms of the property tax incentive.
  - (b) Budget Committee Approval. Upon receiving approval of the Preliminary Approval Committee, the Board's designated representative shall then present the applicant's proposed investment and the proposed incentive plan for consideration at the next regularly scheduled, or if necessary, at a special called meeting, of the County Commission's Budget Committee. The Budget Committee shall consider the fiscal impact during any PILOT Term on the County's recurring obligations to the County's Schools including its annual maintenance of effort obligation.
  - (c) Board Approval. Upon receiving approval from the Budget Committee, the applicant's counsel will prepare the form of Lease Agreement, and any other applicable documents listed in Section 4 below, subject to the consultation and approval of the Board's Issuer's Counsel. The final PILOT Agreement and Lease Agreement shall then be submitted to the Board for its consideration.

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<sup>2</sup> Such private citizen shall be chosen by the Chairman of the Trousdale County Commission and approved by a simple majority vote of the entire County Commission, to serve a two-year term beginning July 1 of the evenly numbered years. No person currently holding public office shall be eligible for appointment.

4. Upon obtaining Board's approval of the final Lease Agreement, the closing can be scheduled immediately. Applicant shall furnish the Board's Issuer's Counsel prior to closing:
  - (a) Project specific PILOT Agreement
  - (b) Lease Agreement
  - (c) Special Warranty Deed (if real property is involved)
  - (d) List of Encumbrances on the Property
  - (e) Bill of Sale (if personal property is involved and has been acquired)
  - (f) The Board's Premium, the Board's Issuer's Counsel Fees, and any other applicable fee.
  - (g) Such others as may be referred to in the Lease Agreement
  
5. Upon closing, appropriate documentation will be filed with the County Register's Office. Originals of all documents will be held by the Board's Issuer's Counsel. The applicant will file a copy of the Lease Agreement with the appropriate local government and with the State Comptroller's office at the following address:

The Office of the Comptroller  
Division of Property Assessment  
501 Deadrick Street  
Suite 1400 (EDA Compliance)  
Nashville, TN 37243-0277

A copy of the transmittal letter must be sent to the Board for inclusion in the Project file.

6. 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 Applicant is required to submit a copy of each such report to the Board for inclusion in the Project file. The copy should be sent to:

Issuer's Counsel:

**Rochelle, McCulloch & Aulds, PLLC**  
Attn: Elliott Benson  
109 North Castle Heights Avenue  
Lebanon, Tennessee 37087

**Exhibit A**

[ON NEXT PAGE]

## PILOT ELIGIBILITY MATRIX GUIDELINES

New Jobs		Better Jobs		Capital Investment			
		Firms are encouraged to pay wages that raise the Per Capita Income of the County as defined by the TN Department of Employment Security		Capital Expenditures to be made by Applicant at Project Site			
Criteria		Criteria		Criteria			
Number of New Jobs	Points	Wages	Points	Amount		Points	
1	20	2	120%	12	\$1,000,000	\$3,000,000	6
21	40	10	130%	18	\$3,000,001	\$6,000,000	10
41	60	15	140%	24	\$6,000,001	\$10,000,000	20
61	80	22	150%	30	\$10,000,001	\$15,000,000	26
81	100	30	160%	34	\$15,000,001	\$20,000,000	34
			170%+	40	\$20,000,001	\$25,000,000	40
					\$25,000,001	\$30,000,000	50
					\$30,000,001	\$35,000,000	60
Projects with 100+ jobs may be given special consideration		Wages at 200%+ may be given special consideration		Amounts above \$35,000,000.00 may receive special consideration			

Abatement		
Total Score Range		Years
21	35	2
36	50	3
51	65	4
66	80	5
81	95	6
100+		7

DISCLAIMER: this chart is not binding but is to be used as a guide for recommendations by the Preliminary Approvals Committee and Board to the Budget Committee of the County Commission, such recommendations may consider other factors pertinent at such time. In no event shall any recommendation be for an abatement period greater than 7 years.

RESOLUTION OF THE HARTSVILLE/TROUSDALE COUNTY INDUSTRIAL DEVELOPMENT BOARD ADOPTING AND APPROVING PAYMENT IN LIEU OF TAXES POLCIES AND PROCEDURES AND AUTHORIZING THE SUBMISSION OF THE SAME TO THE TROUSDALE COUNTY COMMISSION FOR CONSIDERATION AND IMPLIMENTATION

WHEREAS, The Hartsville/Trousdale County Industrial Development Board (the "Board") is a corporation duly formed under Tenn. Code Ann. § 7-53-101 et seq., and created by the Hartsville/Trousdale County Commission (the "County Commission"), with its Amended Certificate of Incorporation filed with Tennessee's Secretary of State May 10, 2004, and that Articles of Amendment to the Charter of a Nonprofit Corporation filed with Tennessee's Secretary of State February 28, 2001; and

WHEREAS, finding and declaring that the Board's public purpose is to promote economic development in Trousdale County, Tennessee; and

WHEREAS, to foster economic growth and development in Trousdale County, Tennessee, by offering incentives to locate here, the Board seeks authorization from the County Commission, pursuant to Tenn. Code Ann. § 7-53-101(b), to negotiate and enter into payment in lieu of tax agreements with lessees of the Board; and

WHEREAS, the Board with the assistance of the Board's Issuer's Counsel, Rochelle, McCulloch & Aulds, PLLC, has prepared the Hartsville/Trousdale County Pilot Program Policies and Procedures attached hereto as Exhibit "A" (the "PILOT Procedures"); and

WHEREAS, if and upon being delegated the authority from the County Commission pursuant to Tenn. Code Ann. § 7-53-101(b) the Board shall negotiate and enter into payments in lieu of tax agreements the Board's lessees in accordance with the PILOT Procedures.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Board in its regular meeting held February 24, 2022, that:

1. The Board hereby adopts the PILOT Procedures.
2. The Board hereby refers and submits the PILOT Procedures to the Trousdale County Commission for adoption, approval implementation, as stated in the proposed Resolution attached hereto as Exhibit "B".
3. Any and all acts taken on behalf of the Board to prepare and submit the PILOT Procedures are hereby approved, ratified and confirmed in all respects.

BE IT FURTHERED RESOLVED that this Resolution shall take effect immediately upon its adoption.

Adopted and approved this \_\_\_\_ day of February 2022.

THE HARTSVILLE/TROUSDALE COUNTY  
INDUSTRIAL DEVELOPMENT BOARD

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Brian King, Chairman

ATTEST:

  
\_\_\_\_\_  
Leah Petty, Secretary

HARTSVILLE/TROUSDALE COUNTY GOVERNMENT

**RESOLUTION #2022-xx-xxx**

**RESOLUTION APPROVING PAYMENT IN LIEU OF TAX POLICIES AND PROCEDURES,  
FINDING THAT SUCH PURPOSES BE IN FURTHERANCE OF THE PUBLIC PURPOSES OF THE  
HARTSVILLE/TROUSDALE COUNTY INDUSTRIAL DEVELOPMENT BOARD  
AS DEFINED IN TCA §7-53-305**

**WHEREAS**, The Hartsville/Trousdale County Industrial Development Board (the "Board") is a corporation duly formed under Tenn. Code Ann. § 7-53-101 et seq., and created by the Hartsville/Trousdale County Commission (the "County Commission"), with its Amended Certificate of Incorporation filed with Tennessee's Secretary of State May 10, 2004, and that Articles of Amendment to the Charter of a Nonprofit Corporation filed with Tennessee's Secretary of State February 28, 2001; and

**WHEREAS**, the public purpose of the Board is to promote economic development in Trousdale County, Tennessee; and

**WHEREAS**, local officials, the Board, and Tennessee Central Economic Authority work to recruit industry and development to Trousdale County, Tennessee, some of which request incentives to locate here; and

**WHEREAS**, Pursuant to Tenn. Code Ann. § 7-53-302(a)(5) the Board is empowered to enter into lease agreements for the lease of real and personal property it owns; and

**WHEREAS**, upon being granted such authorization from County Commission, the Board is authorized pursuant to Tenn. Code Ann. § 7-53-101(b) to negotiate and enter into payments in lieu of tax agreements the Board's lessees; and

**WHEREAS**, to foster economic growth and development in Trousdale County, Tennessee, by offering incentives to locate here, the County Commission wishes to delegate to the Board the authority to negotiate and enter into payment in lieu of tax agreements with lessees of the Board, pursuant to the Hartsville/Trousdale County Pilot Program Policies and Procedures attached hereto as Exhibit "A" (the "PILOT Procedures").

**NOW THEREFORE BE IT RESOLVED** by the Hartsville/Trousdale County Commission meeting in regular session that

1. The County Commission hereby approves and adopts the PILOT Procedures.
2. Pursuant to Tenn. Code Ann. § 7-53-101(b) and in accordance with the PILOT Procedures, the County Commission hereby delegates to the Board the authority to negotiate, accept from any of the Board's lessees payment in lieu of taxes, and the authority to negotiate and accept any agreement to effect the same, and any such action by the Board is hereby deemed to be in furtherance of the Board's public purpose.
3. All other resolutions or actions of the County Commission in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed and this resolution shall be in immediate effect from and after its adoption.

Motion to approve: \_\_\_\_\_

**Electronic Voting**

Second motion: \_\_\_\_\_ YES \_\_\_\_\_ NO \_\_\_\_\_ ABSENT \_\_\_\_\_

**APPROVED:**

**ATTEST:**

\_\_\_\_\_  
**Dwight Jewell**  
Commission Chair

\_\_\_\_\_  
**Rita Crowder**  
County Clerk

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**INTEROFFICE MEMORANDUM**

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**TO:** ELECTED OFFICIALS; DEPARTMENT HEADS

**FROM:** MAYOR STEPHEN CHAMBERS

**SUBJECT: RETROACTIVE PAY POLICY**

**DATE:** MARCH 9, 2022

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**EFFECTIVE DATE OF EMPLOYEE PAY INCREASES**

In consultation with the County Attorney, the following procedure is being established in accordance with section 4.02 of the Hartsville/Trousdale County Metropolitan Charter.

All changes in employee rates of pay made during the fiscal year will be effective at the beginning of the pay period, or the beginning of the next pay period if the notice is provided during the pay period, and after receipt of the Employee Change Form by the Human Resources Director, not the change date on the Employee Change Form. An increase in the rate of pay **WILL NOT** be made retroactive.

It is the Elected Official/Department Head's responsibility to get the paperwork to the Human Resource office in a timely manner.