

SPECIAL CALLED JOINT MEETING

LOUDON CITY COUNCIL WITH LOUDON COUNTY COMMISSION October 19, 2015

A special called meeting of the Loudon City Council and Loudon County Commission was held on October 19, 2015 in the Commission Meeting Room at the County Office Building located at 100 River Road. The purpose of the meeting was to consider authorizing the Industrial Development Board (IDB) of the City of Loudon to enter into a 10-year payment in lieu of tax (PILOT) agreement for "Project Moon"; and also to enter into a 5-year PILOT agreement for Vanhooseco, LLC. The press was represented by Jeremy Styron of the *Loudon County News Herald*. Maureen Colvin video recorded the meeting for LCTV3.

Those present representing the city were: Mayor Jim Greenway, Councilmen Lynn Millsaps and Dennis Stewart. Councilmen Jeff Harris and Johnny James were absent. Others representing the city were: City Attorney Joe Ford, and City Recorder Stephanie Putkonen.

County Commission members present were: Chairwoman Earlena Maples, Commissioners Harold Duff, Leo Bradshaw, Henry Cullen, Kelly Littleton-Brewster, Bill Satterfield, Van Shaver, Matthew Tinker and David Meers. Commissioner Steve Harrelson was absent. Also present representing the county were: Mayor Rollen Bradshaw, Administrative Assistant Anita Green and Secretary Phyllis Youngblood. There were approximately ten others present.

Mayor Greenway called the city council to order at 5:09 P.M. He turned the meeting over to County Commission Chairwoman Maples.

Chairwoman Maples called the county commission to order. Commissioner Leo Bradshaw held the invocation and led the Pledge of Allegiance to the Flag of the United States of America. She asked for a roll call of commissioners, and they adopted their agenda.

Chairwoman Maples opened the meeting for public comments or questions pertaining to the agenda items.

Richard Anklin questioned the tax implications for county taxpayers.

Pat Hunter wanted clarification about the number of jobs and how their compliance with the 80% of promised jobs would be implemented. She also wanted to know if a preference to hiring Loudon County residents could be put in the resolutions.

Loudon County Economic Development Agency (LCEDA) Director Pat Phillips responded that the Vanhooseco PILOT agreement was based strictly on taxes with no employment measurement.

Director Phillips said that "Project Moon" was Morgan Olsen. They are an automotive manufacturer that will locate in the property recently vacated by Astec Underground (9600 Corporate Park Drive). He added that the governor would be here for the ribbon cutting later in the week.

The company expects to employ 400 within a year and then up to 500 with an average hourly wage of \$19.73. The county real and personal property tax that would be taken off the tax rolls for this agreement was approximately \$146,000. The PILOT agreement provides for a constant annual lease payment of \$122,382 for both real and personal property to be distributed between the city and the county for ten years.

Director Phillips said as to restricting a preference to Loudon County employees. Currently about 50% of county residents go out of the area for employment. By reducing the unemployment rate, wages could potentially increase in the area. The focus should be on the new jobs created.

Commissioner Shaver said the cost to the county would be \$71,200 in taxes per year for 400 to 500 jobs. He added that the city would lose about \$45,000. He said he opposed the agreement because they have already purchased the building. He said they are coming whether this agreement is approved or not. He said the county realizes the brunt of the costs. The cities receive sales tax. If more people move here, there will be increased costs to the school system.

Commissioner Shaver questioned why there was not a “claw back” policy, so if they don’t comply with the agreement they would have to pay the back taxes.

Director Phillips responded that if they do not employ 80% of the 500 employees by December 31, 2020, their lease payment would increase by \$245 per job per year for each position not created below the 80% requirement.

Director Phillips said the State of Tennessee and TVA have offered the company incentives.

Mayor Bradshaw said he saw this as an opportunity to improve the lifestyles of citizens of Loudon County and maybe add new residents. He added that the longer the property sits vacant, the harder it would be to sell.

Mayor Greenway said this company will create jobs, increase sales tax as well as property tax. It won’t all happen the first year, but he said he would rather see people get good jobs and improve their lives.

Chairwoman Maples asked if there were any questions pertaining to Vanhooseco.

Director Phillips said that Vanhooseco was a smaller investment. They plan to create 50 to 65 new jobs.

Chairwoman Maples turned the meeting back over to Mayor Greenway at 6:00 P.M.

Mayor Greenway presented for city council consideration a resolution authorizing the IDB to enter into a 10 year PILOT with “Project Moon” (Morgan Olson). Councilman Millsaps addressed Commissioner Shaver’s comments. He stated that this is an investment in the future, as this company could make even more investment. He added that if they (city and county) don’t cooperate, they would be setting a precedent for other industries looking at Loudon County. A motion was made by Councilman Millsaps, seconded by Councilman Stewart that the following resolution be passed:

RESOLUTION NO. 2015-43

**AUTHORIZING THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF LOUDON TO ENTER INTO A 10-YEAR
PAYMENT IN LIEU OF TAX (PILOT) FOR PROJECT MOON**

Upon a vote, the resolution was unanimously passed.

Mayor Greenway presented a resolution authorizing the IDB to enter into a 5-year PILOT for Vanhooseco, LLC. A motion was made by Councilman Millsaps, seconded by Councilman Stewart that the following resolution be passed:

RESOLUTION NO. 2015-44

**AUTHORIZING THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF LOUDON TO ENTER INTO A 5-YEAR
PAYMENT IN LIEU OF TAX (PILOT) FOR VANHOUSECO, LLC**

Upon a vote, the resolution was unanimously passed.

Mayor Greenway declared the resolution passed. He adjourned the city council portion of the meeting at 6:05 P.M.

(The officials of the city left the meeting. Public hearings were scheduled to begin at city hall at 6:15 P.M. It was later reported that the county approved the resolutions 8-1 with Shaver being the dissenting vote.)

Recorder

Mayor