

# LOUDON COUNTY COMMISSION WORKSHOP

Monday July 20, 2015  
County Office Building  
6:00 pm

1. **Comments by Members of the General Public**
  
2. **Economic Development Agency Director, Pat Phillips**
  - A. A Resolution of the Loudon County Commission, the Governing Body of the County of Loudon, Tennessee authorizing the Industrial Development Board of the City of Loudon, Tennessee to enter into a Payment in Lieu of Tax (PILOT) with Tate & Lyle.
  
3. **Loudon County Mayor, Buddy Bradshaw**
  - A. Discussion of Applicants for the New General Sessions Judge's Position
  - B. Discussion of Litigation Tax
  - C. Discussion of Ambulance Regulations
  - D. Discussion of Glendale Lease
  - E. Updates to the Following Boards/Committees Appointments Resolutions
    1. Loudon County Airport Authority
    2. Loudon County Beer Board
    3. Blair Bend Industrial Committee
    4. Loudon County Budget Committee
    5. Loudon County Capital Projects Committee
    6. Loudon County Chamber of Commerce Board of Directors
    7. County Corrections Partnership Committee
    8. Loudon County E-911 Board
    9. Loudon County Economic Development Agency Board of Directors
    10. Loudon County Financial Advisory Committee
    11. Loudon County Governmental Affairs Committee
    12. Loudon County Litter Control Committee
    13. Loudon County Maintenance Committee
    14. Loudon County Purchasing Committee
    15. Safety Committee
    16. Loudon County Ad-Hoc Salary & Benefits Committee
    17. Loudon County Senior Citizens Executive Committee
    18. Loudon County Sheriff's Merit Services Board
    19. Loudon County Surplus Property Authority

**4. Loudon County Budget Director, Tracy Blair**

A. Budget Committee Recommendations.

**5. Any Other Items**

**6. Adjournment**

**Resolution No. \_\_\_\_\_**

**A Resolution of the Loudon County Commission, The Governing Body of the County of Loudon, Tennessee authorizing the Industrial Development Board of the City of Loudon, TN to enter into a Payment in Lieu of Tax (PILOT) with Tate & Lyle**

**WHEREAS**, Tate & Lyle is an existing manufacturer of distinctive high quality ingredients for the food/beverage sector and other industries, presently located at 198 Blair Bend Drive, Loudon, TN, and

**WHEREAS**, Tate & Lyle, and the 5 co-locating industries in Blair Bend Industrial Park directly serving the Loudon facility, have a combined economic impact on Loudon County employing approximately 550 and contributing an estimated \$245,000,000 in capital investment generating \$2,900,000 in local tax revenues and annual payroll of approximately \$26,600,000; and

**WHEREAS**, Tate & Lyle is considering investing approximately \$66,000,000 to construct and operate a 50 megawatt combined heat and power system (CHP) that has the advantage of improving the competitive position of the Loudon facility and improving air emissions for Loudon County and the East Tennessee Region with the reduction of >2,000 tons/yr. of SO<sub>2</sub>, >300 tons/yr. of NO<sub>x</sub>, >300,000 tons/yr. of CO<sub>2</sub>, reduction of the plants' carbon footprint and elimination of over 10,000 tons/yr. of landfilled coal ash, and

**WHEREAS**, the combined heat and power system will require construction of a 12" natural gas line that will free up approximately 16,000 dekatherms of gas for future industrial users compared to less than 200 dekatherms currently available and inadequate to meet the demands of new industries, and

**WHEREAS**, the Loudon County Economic Development Agency Board of Directors will consider certain inducements and assistance be provided to Tate & Lyle involving a payment in lieu of tax (PILOT) as an economic development initiative to encourage future capital investment and job creation at the Loudon facility.

**NOW, THEREFORE, BE IT RESOLVED**, that the Loudon County Commission authorizes the Industrial Development Board of the City of Loudon to negotiate a ten-year payment in lieu of tax (PILOT) establishing an annual lease payment of \$2,000,000 for both existing real and personal assets and all assets placed into service during the duration of the PILOT within the existing footprint at 198 Blair Bend Drive, Loudon, TN and being further referenced by County Tax Map 041, Parcel 037.00.

**BE IT FURTHER RESOLVED**, that this Resolution shall specifically exclude assets of DuPont Tate & Lyle Bio Products Company LLC, Continental Carbonic, Inc. and Praxair, the facilities of which are located on property of Tate & Lyle.

**BE IT FURTHER RESOLVED** that the in lieu of tax payments shall be distributed to Loudon County and the City of Loudon based upon their percentage of the present total ad valorem taxes (City of Loudon 38.76%, Loudon County 61.24%) which would otherwise be payable to each entity if owed by the company. Said PILOT shall commence on the tax year beginning on January 1, 2017 and continuing through and including the tax year ending December 31, 2026.

**BE IT FURTHER RESOLVED** that Tate & Lyle shall terminate all appeals relative to property valuations within thirty (30) days of adoption of this Resolution. Failure to terminate appeals will necessitate automatic repeal of this Resolution. In the event a PILOT lease is cancelled within the 10-year period, the revenue that would normally be received from taxes from assets placed into service during the agreement will be paid to the local governments as noted above. Costs associated with the lease document between the Company and IDB, including application fees and public notices shall be the responsibility of Tate & Lyle (estimated <\$5,000).

**BE IT FINALLY RESOLVED**, that this Resolution shall take effect immediately, the public welfare requiring it.  
Passed this the 29<sup>th</sup> Day of June, 2015.

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Buddy Bradshaw, Mayor

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Steve Harrelson, Chair

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Darlene Russell, Court Clerk

LOUDON COUNTY COMMISSION  
RESOLUTION \_\_\_\_\_

RESOLUTION AUTHORIZING LEASE OF FORMER  
GLENDALE ELEMENTARY SCHOOL PROPERTY TO  
GLENDALE COMMUNITY CLUB, INC.

WHEREAS, the Glendale Elementary School, located at or near the intersection of State Highway 95 and Davis Ferry Road in the Third Civil District of Loudon County, Tennessee, has been closed for several years; and

WHEREAS, by general agreement, one of the buildings has been left standing, and the Glendale Community Club, Inc., has maintained one of the buildings, and the grounds, including a softball field, etc., for the use of the community and general community activities, and also for the purpose of holding County public elections; and

WHEREAS, the Glendale Community Club desires to continue to maintain the property but would desire a formalized agreement so that its members will feel more comfortable in spending additional money and time on improving the property, in addition to the valuable improvements that have been made in the past; and

WHEREAS, the Loudon County Commission has made similar agreements with other communities concerning property formerly used for educational and public purposes, and is willing to make a similar agreement with the Glendale community; and

WHEREAS, Loudon County entered into a Lease for said property with Glendale Community Club, Inc. on April 2, 1990 and again on March 1, 2000, but said Lease is now expired;

NOW THEREFORE, BE IT RESOLVED, by the Loudon County Commission, in regular session assembled this \_\_\_\_\_ day of \_\_\_\_\_, 2015, that the County Mayor

be authorized to enter into a new lease agreement with the Glendale Community Club, in substantial accordance with the suggested lease agreement which is attached hereto as an exhibit to this resolution.

APPROVED:

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Steve Harrelson  
Chairman of the Loudon County Commission

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Rollen Bradshaw  
Loudon County Mayor

ATTEST:

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Darlene M. Russell  
County Clerk

## LEASE

THIS LEASE made and entered into on this \_\_\_\_ day of \_\_\_\_\_ 2015 ("Lease Date"), by and between LOUDON COUNTY, a political subdivision of the State of Tennessee, (hereinafter "LESSOR", or "Loudon County") and the GLENDALE COMMUNITY CLUB, INC., an unincorporated association organized existing under and by virtue of the laws of the state of Tennessee (hereinafter "LESSEE").

### WITNESSETH:

WHEREAS, the Lessee is desirous of continuing the operation of approximately 2.24 acres, more or less, in what is known as the Glendale Elementary School Property, located at or near the intersection of State Highway 95 and the Davis Ferry Road in the Third (3rd) Civil District of Loudon County, Tennessee (the "Property"), more fully described on **Exhibit A** (a copy of the Property Assessor's tax map, Map 47, Parcel 57) attached hereto and incorporated herefrom by reference, for the purpose of carrying on various community-related activities, including the holding of public elections. Loudon County is the owner of the Property.

NOW, THEREFORE, upon the consideration of One Dollar (\$1.00), cash in hand paid, and the mutual covenants and agreements hereinafter expressed, the Lessor does hereby lease to the Lessee, and the Lessee does hereby lease from the Lessor that area of Property more fully described on **Exhibit A**.

IN CONSIDERATION THEREOF, the Lessee and Lessor covenant and agree:

1. Lessor does hereby lease to the Lessee, and the Lessee does hereby lease from the Lessor the Property more fully described on **Exhibit A**.

2. Lessee will keep proper maintenance of said leased Property and keep all leased Property in a good state of repair.

3. Lessee will use the leased Property only for community service-related activities, including properly supervised private activities similar to those authorized in other places of public assembly, and will keep said Property in a good condition so that it will not be used as a nuisance or for illegal purposes and to surrender said Property back in as good a condition as it was received.

4. Lessee will keep the utilities paid on said leased Property during the term of this Lease and shall allow Lessor to use the Property for public elections and other public occasions and events.

5. (a) Lessee will safeguard and indemnify Lessor from any liability growing out of any accidents or incidents that may happen by the use of the Lessee of said Property or use of those authorized by Lessee. Lessee shall at its expense obtain and, at all times during the term of this Lease (including any holdover tenancy), maintain in force liability insurance in amounts for bodily injury or death of not less than One Million Dollars (\$1,000,000.00) per person and One Million Dollars (\$1,000,000.00) per accident. Lessee further agrees to include Lessor as an additional insured on such policies at no charge to Lessor. Such policies shall require the insurance company to give Lessor not less than thirty (30) days prior written notice of lapse or cancellation.

(b) The insurance policy obtained by Lessee pursuant to this Lease shall be with an insurance company authorized and licensed to conduct business in the State of Tennessee. Lessee agrees to deliver to Lessor, upon Lessor's request and at no charge to Lessor, a certificate or certificates evidencing the coverage under each such

policy showing all named insureds. Lessee shall not do or permit to be done anything which shall invalidate the insurance policies required under this Lease.

(c) Lessee shall defend, indemnify and hold Lessor and its elected and appointed officials, assigns, officers, attorneys, insurers, employees, and representatives harmless from and against any and all damages, claims, suits, liabilities, fines, penalties, costs, losses, diminution in value, deficiencies, and expenses (including without limitation reasonable attorney's fees and litigation expenses) of any kind or nature whatsoever, whether or not involving a third-party claim, which may be sustained or suffered by Lessor arising from or related to the leased Property. It being understood that Lessor will remain responsible for the negligence of its officials, employees, or agents arising out of the use of the Property by Lessor for its own official activities or events (e.g., public elections).

6. Lessor reserves the right to inspect the manner and means by which the Property is used by Lessee for the public purposes as more fully described in paragraph 3 hereinabove.

7. Lessee shall not make any alterations, additions or improvements to the Property without the prior written consent of the Lessor, which consent shall not be unreasonably withheld. Any improvements made and/or fixtures attached to the Property by Lessee, except such as may be movable, shall remain on the Property upon termination of this Lease, except as may otherwise be agreed to between the parties in writing. It is further agreed that Lessee shall not create, cause or suffer the Property to become subject to any liens, charges or encumbrance whatsoever.

8. Lessee assumes the risks of loss and/or damage to the personal Property of Lessee or others in, on or about the Property, and Lessee shall be responsible for and shall maintain all insurance for equipment, furniture, furnishings and/or any other Property owned and/or utilized by it on the Property or otherwise.

9. This Lease is for a period of one (1) year, which shall automatically be extended for one (1) year at a time, for a total of ten (10) years unless cancelled by either party in writing, on or before sixty (60) days prior to the execution of the Lease Date.

10. It is mutually agreed that the Lessor may assume or retake possession of the leased Property due to the Lessee's failure to maintain said Property, failure to keep the Property policed so as to not allow it to become a nuisance, failure to maintain insurance as required by paragraph 5 above, failure to fulfill any other terms or provisions of this Lease, or in the event that the Lessee becomes inactive as a Community Club in the operation of the Property; provided that Lessee shall first receive written notice of any default or deficiency and have sixty (60) days within which to correct any deficiencies or defaults. If said default or deficiency is not corrected, Lessor shall take immediate possession of the Property.

11. It is further mutually agreed that the Lessor shall have no duty to do any maintenance on said Property during the terms of this Lease, and that this Lease agreement may be amended only in writing by mutual consent.

12. All notices, demands, requests, consents and other instruments required or permitted pursuant to the terms of this Lease shall be in writing and shall be deemed to have been properly given if sent by registered or certified United States mail, return

receipt requested, addressed to each party hereto at the following addresses or at such other address as Lessor or Lessee may designate in writing and deliver to the other party.

Lessor: Loudon County, Tennessee  
ATTN: County Mayor  
Loudon County Office Building #109  
100 River Road  
Loudon County, TN 37774-1042

Lessee: Glendale Community Club  
ATTN: Sue Maxwell  
13824 Highway 321 South  
Lenoir City, TN 37772

IN WITNESS WHEREOF, the parties have executed this agreement in duplicate, each copy being an original, on the day and date first above written.

**LESSOR/LOUDON COUNTY, TENNESSEE**

By: \_\_\_\_\_  
Rollen "Buddy" Bradshaw  
Its: Mayor

**LESSEE/GLENDALE COMMUNITY CLUB,  
an unincorporated association**

By: \_\_\_\_\_  
Sue Maxwell  
Its: President

**STATE OF TENNESSEE  
COUNTY OF LOUDON**

**PERSONALLY** appeared before me **Rollen "Buddy" Bradshaw**, the undersigned authority, a Notary Public in and for said County and State, the within-named Lessor, with whom I am personally acquainted, and who acknowledged that she is Mayor of Loudon County, Tennessee, the within-named bargainer, and as such Mayor, being authorized so to do, executed the within instrument for the purposes therein contained, by signing the name of said Loudon County, Tennessee, as such Mayor.

**WITNESS** my hand and official seal at office in Loudon County, Tennessee, this the \_\_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
**NOTARY PUBLIC**  
My Commission Expires: \_\_\_\_\_

**STATE OF TENNESSEE  
COUNTY OF LOUDON**

**PERSONALLY** appeared before me, **Sue Maxwell**, the undersigned authority, a Notary Public in and for said County and State, the within-named Lessee, with whom I am personally acquainted, and who acknowledged that she is President of the Glendale Community Club, an unincorporated association, the within-named Lessee, and as such President, being authorized so to do, executed the within instrument for the purposes therein contained, by signing the name of said Glendale Community Club as such President.

**WITNESS** my hand and official seal at office in Loudon County, Tennessee, this the \_\_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
**NOTARY PUBLIC**  
My Commission Expires: \_\_\_\_\_

This Instrument prepared by Robert L. Bowman, Attorney at Law, P.O. Box 629, Knoxville, TN 37901.

# EXHIBIT A

PROPERTY  
DESCRIPTION

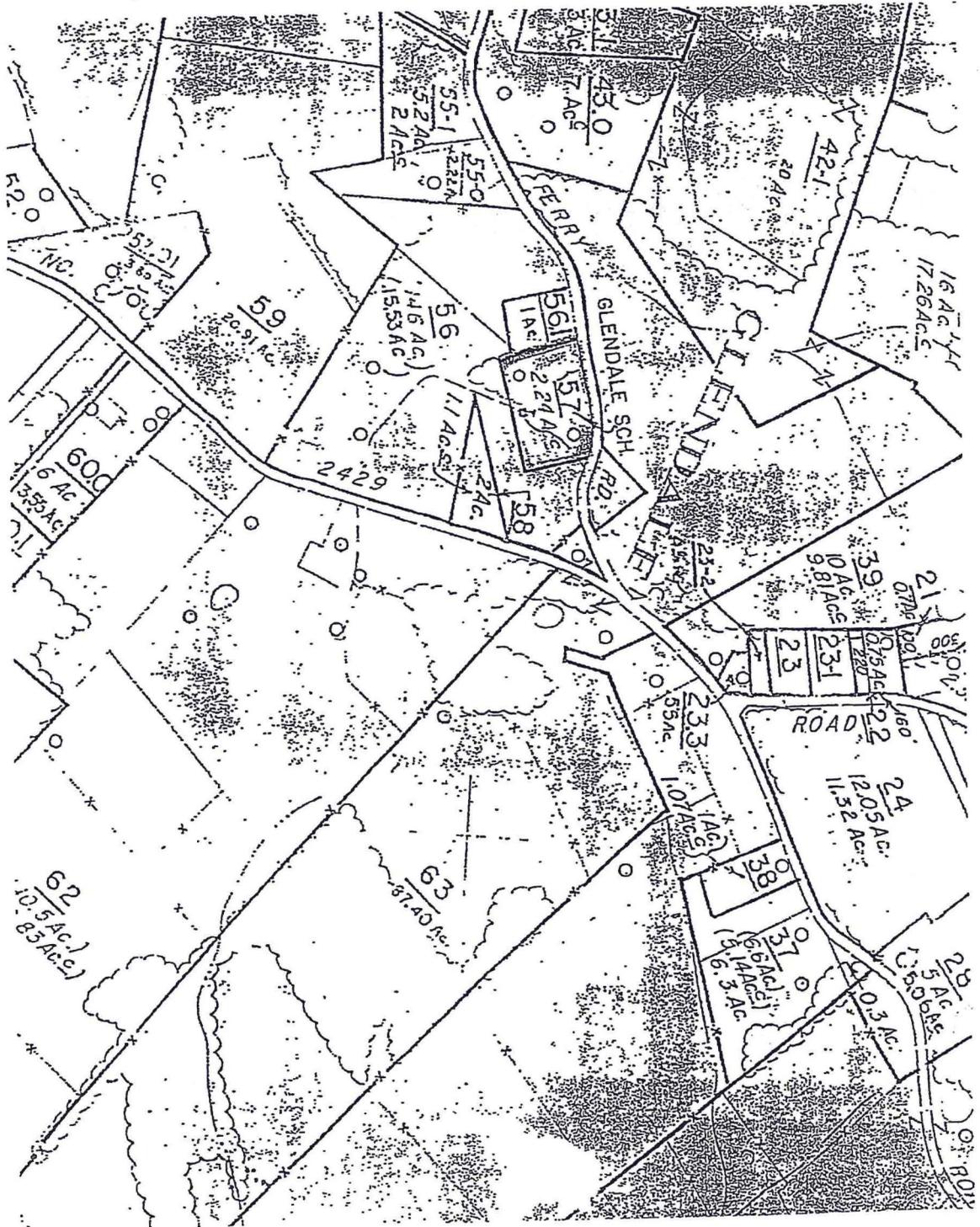


EXHIBIT A