

LOUDON COUNTY COMMISSION
Loudon County, Tennessee
Thursday July 19, 2018
County Office Building
6 P.M.

SPECIAL CALLED MEETING

AGENDA

1. Opening of Meeting / Roll Call

2. **EDA Director – Jack Qualls**
 - A. Sale of Centre 75
 - 89.16 Acres Tract
 - Tax Parcel Number 039 105.06

 - B. Project Z Incentives

 - C. Termination of Agriculture Lease at Centre 75

3. Adjournment

LOUDON COUNTY COMMISSION
RESOLUTION 061918-

CONDITIONAL MUTUAL TERMINATION AGREEMENT

THIS CONDITIONAL MUTUAL TERMINATION AGREEMENT (“Agreement”) is entered into on this ___ day of _____, 2018 by and between Loudon County Economic Development Agency, Inc. as agent for Loudon County and the City of Loudon, Political Subdivisions of the State of Tennessee (hereinafter referred to as “Licensor”), and John D. James, 2455 Maremont Parkway, Loudon, Tennessee 37774 (hereinafter referred to as “Licensee”).

WHEREAS, Licensor and Licensee are parties to a certain License Agreement dated January 28, 2016 and a Licensing Agreement Amendment dated February 8, 2016 (collectively, “License Agreement”), pursuant to which John D. James holds a Licensing Agreement from Licensor of certain property located in the Center 75 Business Park shown on the map attached hereto as Exhibit No. 1, as labeled Tracks A, B, C, and D (“Property”); and

WHEREAS, the parties now desire to provide for the conditional termination and cancellation of the License Agreement, and the return of the Property to Licensor, prior to the current expiration date of the License Agreement (December 31, 2020).

NOW, THEREFORE, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Licensor and John D. James agree as follows:

1. Licensor and John D. James do hereby mutually agree to terminate and cancel the License Agreement only upon a sale of the Property by Licensor to Project Z on or before October 31, 2018 under a contract acceptable to Licensor (“Closing”). Absent such a Closing, for any reason, this Agreement will be null and void and the License Agreement shall continue in full force and effect. In the event such Closing occurs, the License Agreement shall automatically terminate without further action on the part of Licensor and John D. James, and John D. James shall release to Licensor all right, title and interest in and to the Property John D. James may have acquired by reason of the License Agreement.

2. If this License Agreement is terminated as provided herein, the Property shall be delivered to Licensor in the same condition as it was in on the commencement date of the License Agreement, reasonable wear and tear excepted.

3. In the event the Closing in which this Agreement is subject occurs, in consideration of the early termination and cancellation of the License Agreement, Licensor agrees to pay John D. James \$16,185.00.

4. In the event the Closing in which this Agreement is subject occurs John D. James agrees to immediately release any and all interest in the parcel purchased by Project Z and will release any and all interest in the remaining parcels subject to the License Agreement by December 31, 2018.

5. In the event the Closing to which this Agreement is subject DOES NOT occur, the License Agreement shall not be terminated and shall remain in full force and effect through December 31, 2020 and this Agreement will be null and void.

6. If this License Agreement is terminated, except in regard to such obligations as arose prior to the termination date and as set forth herein, Licensor and John D. James each hereby release the other from any and all claims, causes of action, demands and liabilities of whatever nature

in connection with the License Agreement which either of them ever had, now has or hereafter may have.

7. This Agreement shall be binding upon and shall inure to the benefit of Licensor and John D. James and their respective heirs, legal representatives, successors and assigns.

8. This Agreement shall be governed by, interpreted under, and construed and enforced in accordance with, the laws of the State of Tennessee.

IN WITNESS WHEREOF, this Agreement is executed and delivered on the date first set forth above.

LICENSOR:

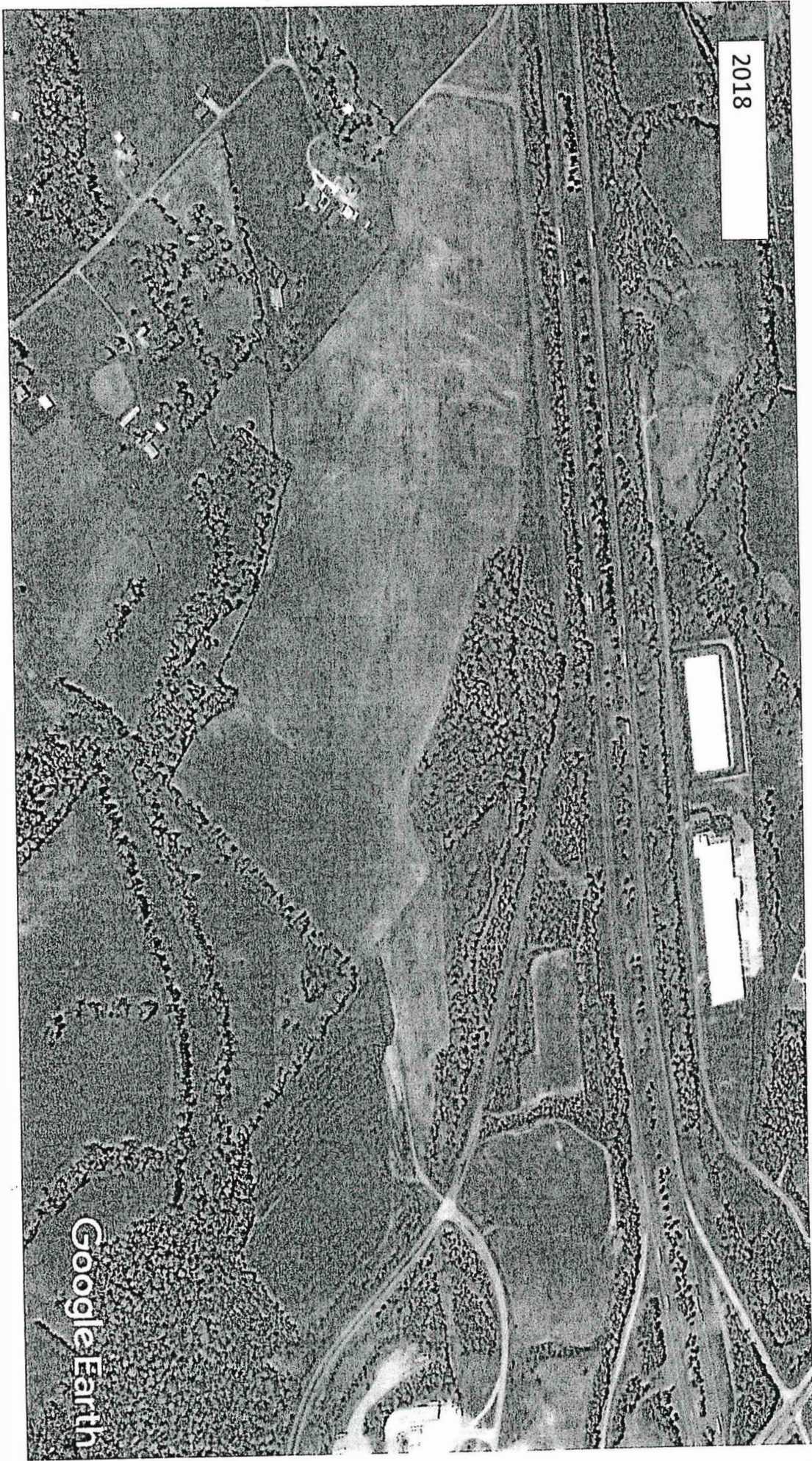
Mayor Buddy Bradshaw
Loudon County, Tennessee

Mayor Jimmy Greenway
City of Loudon

LICENSEE:

John D. James

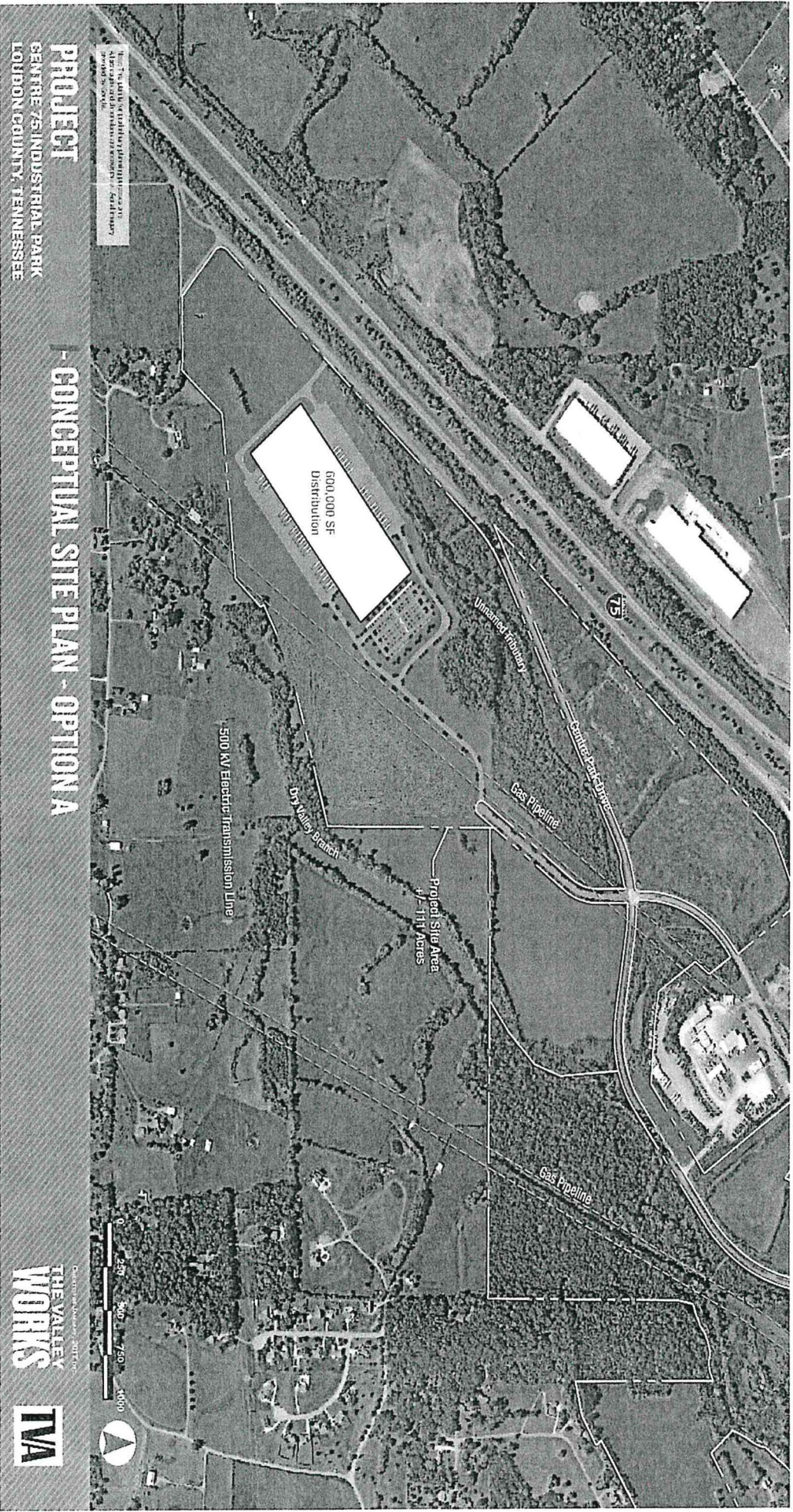
LOUDON COUNTY COMMISSION
EXHIBIT 061918-



Before - 2015



Google Earth



Map is for informational purposes only. All rights reserved. All other marks are the property of their respective owners.

PROJECT
 CENTRE 75 INDUSTRIAL PARK
 LOUDON COUNTY, TENNESSEE

- CONCEPTUAL SITE PLAN - OPTION A

© 2017 THE VALLEY WORKS
 THE VALLEY WORKS

LOUDON COUNTY COMMISSION
EXHIBIT 061918-

Licensing Agreement Amendment

**Amendment to the licensing agreement between the Loudon County
Economic Development Agency (hereinafter "Licensor" and John D. James
(hereinafter "Licensee") for agriculture operations at
Centre 75 Business Park, Loudon, TN**

Pursuant to the Intergovernmental Agreement by and between the County of Loudon and City of Loudon, the Board of Directors of the Loudon County Economic Development Agency "shall be responsible for the maintenance and administration of the property". As such, the Board has entered into a 3-year licensing agreement with John D. James to conduct agricultural operations on the subject property with the licensing agreement expiring December 31, 2015.

Licensee has requested authorization from the Board of Directors to remove canopy trees and brush within certain areas of the property to expand areas for agricultural crop production, and desires to extend the lease an additional five years to amortize the costs associated with land clearing.


The clearing of the property also has a benefit to the marketing of the site for industrial/commercial businesses improving exposure and access.

The Board of Directors of the Loudon County Economic Development Agency unanimously voted on August 27, 2015 that the terms of the licensing agreement shall be extended an additional five (5) years at the current annual lease payment, expiring on December 31, 2020, to allow the licensee the opportunity to amortize expenses for clearing, subject to the following:

- 1) The permitted clearing of vegetation shall be restricted to the areas highlighted on the attached drawing as part of this Resolution.
- 2) Prior to clearing of property, parallel to the wet weather conveyance, the Loudon County Economic Development Agency shall identify and mark canopy trees that shall be preserved.
- 3) In addition, Licensee agrees to maintain and keep clear of vegetation the two billboards located on the west side of Centre Park Drive.

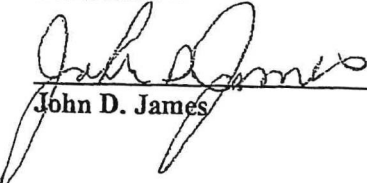
The licensee shall comply with all Federal, State and Local requirements pertaining to agricultural land disturbance activities. All other conditions and provisions of the current lease shall continue in force.

LICENSOR:

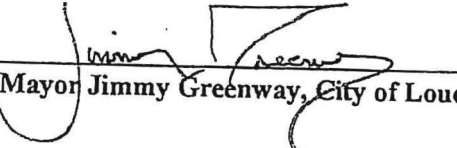


Mayor Buddy Bradshaw, Loudon County, Tennessee

LICENSEE:



John D. James



Mayor Jimmy Greenway, City of Loudon

STATE OF TENNESSEE)

COUNTY OF LOUDON)

Before me, the undersigned authority, a Notary Public in and for the State and County aforesaid personally appeared **Jim Greenway**, with whom I am personally acquainted, and who, upon oath, acknowledged he himself to be the Mayor of the City of Loudon County, Tennessee, the within named Licensor, a municipal corporation of the State of Tennessee, and that he as such Mayor being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing the name of the municipal corporation by himself as Mayor.

Witness my hand and official seal at office this 4th day of February, A.D.,
2016.

Stephanie K. Myers
Notary Public



My commission expires: 2/13/2017

BY:

Patrick Phillips

Patrick Phillips, Executive Director
Loudon County Economic Development Agency

STATE OF TENNESSEE)

COUNTY OF LOUDON)

Personally appeared before me, the undersigned Notary Public, the within named Licensee, JOHN D. JAMES, with whom I am personally acquainted, and who acknowledged that he executed the within instrument for the purposes therein contained.

Witness my hand and official seal at office this 28th day of January, A.D., 2016.

Stephanie K. Myers

Notary Public



My commission expires: 2/13/17

STATE OF TENNESSEE)

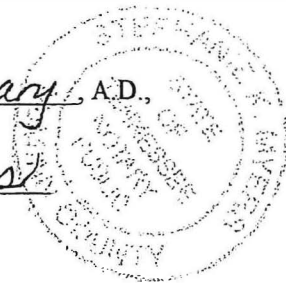
COUNTY OF LOUDON)

Before me, the undersigned authority, a Notary Public in and for the State and County aforesaid personally appeared **Rollen "Buddy" Bradshaw**, with whom I am personally acquainted, and who, upon oath, acknowledged himself to be the County Executive of Loudon County, Tennessee, the within named **Licenser**, a political subdivision of the State of Tennessee, and that he as such **County Mayor** being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing the name of the political subdivision by himself as County Mayor.

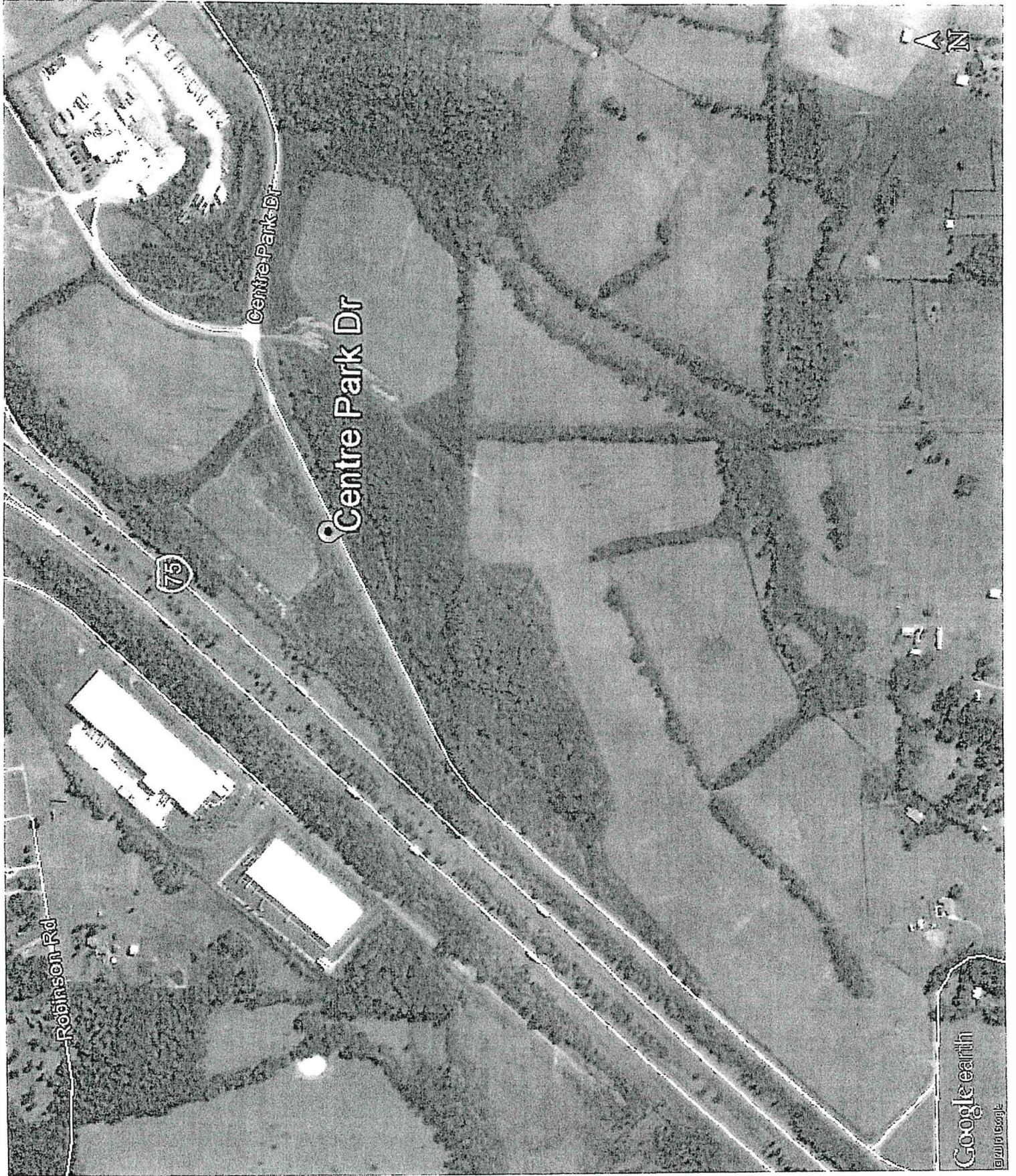
Witness my hand and official seal at office this 8th day of February, A.D., 2016.

Stephanie K. Myers

Notary Public



My commission expires: 2/13/2017



Google earth
© 2010 Google

Centre Park Dr

Centre Park Dr

75

Robinson Rd

LOUDON COUNTY COMMISSION
EXHIBIT 061918-

COPY

INTERLOCAL AGREEMENT

This agreement, made and entered into this the ____ day of May, 1999, by and between the County of Loudon (County), a political subdivision of the State of Tennessee, and the City of Loudon (City), a municipal corporation under the laws of the State of Tennessee.

Whereas, the Loudon County Economic Development Agency, the economic development organization of the County of Loudon, City of Loudon and City of Lenoir City, has negotiated an option agreement to purchase from James Purdy, owner, approximately 270 acres of real property located on Highway 72, adjacent to and south of Interstate 75; and

Whereas, owner has previously prepared development plans for the property, with the assistance of Lockwood Greene Engineering Firm, which plans have been approved by the Loudon Regional Planning Commission, and

Whereas, the lack of available and improved property for economic development growth hinders the County's ability to successfully attract quality business locations which contribute to a strong economic base, and

Whereas, the legislative bodies of County and City desire by appropriate official action to enter into an intergovernmental agreement to acquire and develop the described property for economic development purposes;

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND AGREEMENTS HEREIN, THE PARTIES HEREBY AGREE AS FOLLOWS:

W I T N E S S E T H

1. Property acquisition and infrastructure: The City and County agree to participate in the development of a business park necessitating the purchase of property, under option by the Economic Development Agency, and to construct roads, utilities, drainage appurtenances, street lighting, landscaping, signs and other such related improvements and professional services, including but not limited to engineering, legal and project management services. Costs associated with the development shall be shared among the parties based on the following percentage: 30% for the City of Loudon and 70% for the

County of Loudon. In addition, the City of Loudon shall assume responsibility for financing the construction/installation of utilities (water, sewer, gas, electric) for the project. The combined responsibility equates to a 40% City and 60 % County involvement. Each entity shall assume responsibility for financing its proportional share of the costs involved with the project.

2. Recapturing of local expenditures through land sales and designation of excess monies:

a. Each entity shall receive the proportionate amount of revenue generated from the sale of land based on the percentage of project investment in section #1. The project's fiscal agent shall disburse the revenue to the appropriate entity within fourteen days from receipt of payment or within a time frame mutually agreed upon;

b. The parties shall determine, by appropriate ordinance or resolution, the respective community's desire to retain authority over the sale of land or to transfer such authority to the Board of the Loudon County Economic Development Agency. This is a local option not affecting the rights of the other party. If so designated, the Board shall have the authority to act on behalf of the party and may negotiate and enter into binding land sales agreements.

c. However, under any circumstances, the Economic Development Agency shall not negotiate a land sales agreement in an amount less than the "base amount" (herein defined in subsection e.) unless specifically approved by both legislative bodies.

d. If a local entity retains the option to approve land sales, following receipt of notifications by the Loudon County Economic Development Agency, the legislative body must take action on the request for approval of sale within fourteen days. It is agreed that the failure to act within fourteen days has the effect of an irrevocable consent to sell.

e. A per acre base amount, being the sum total of land acquisition, infrastructure expenditures, project management fee and a maintenance allotment (determined to be \$ ____), divided by the number of developable acres, shall be used to establish minimum per acre land prices, above which any land sale amount shall be considered to be excess monies. Developable acreage shall be interpreted to mean the amount of land remaining and suitable for development after deduction of areas designated for public rights of way, drainage structure easements and existing utility easements.

f. The "base amount" shall be established following the transfer of land by the seller and the acceptance of construction bids. The base amount shall be certified by both parties prior to the initial sale of land.

g. The actual selling price to be offered to prospective purchasers shall be established by the Board. Excess monies generated from land sales, exceeding the base

amount, after payment of expenses involving the sale, shall be retained in the park account and shall be expended for park maintenance or improvements. The Loudon County Economic Development Agency shall determine the manner in which such funds are utilized. Upon approval by both the City and County, following recommendation by the Board, excess funds may be withdrawn and redistributed to the parties following approval by the legislative bodies or used for other development projects as approved by the legislative bodies.

3. Grant fund allocated to the project: Any Federal or State grant received and applied to the project for land acquisition, infrastructure development or related in any way to the project shall be deducted from expenditures excluding any minimum matching requirements. Any grants authorized as a part of the initial construction phase shall be considered in establishing the "base amount".

4. Fiscal Agent: County shall serve as fiscal agent for the project and shall assume responsibility for payments to contractors and for other necessary expenses, as well as appropriate disbursements to County and City. The fiscal agent shall maintain a current and separate fund account indicating the source of all funds derived and an itemization of all expenditures and purposes of expenditures. When construction funds are needed the fiscal agent shall notify and submit copies of invoices to the county for payment based on the agreed percentage stated in paragraph 1. Payments shall be remitted to the fiscal agent within ten working days following notification of the invoice. The fiscal agent shall send a quarterly financial report to all parties showing funds received, an itemization of payments made, and the amount and status of funds in hand. The County shall employ the project engineer and let bids and award construction contracts. It is understood that the fiscal agent shall not charge against the project account for any administration costs incurred in this role.

5. Utility connection charges: Any customer connecting into any utility shall be exempt from any connection fee or charge if the improvement was constructed and financed jointly under the terms of this agreement. This section shall not exempt payments from customers for any facility improvement charge for facilities which are not part of this agreement.

6. Project management: The Loudon County Economic Development Agency is the designated project manager and will be responsible for assuring that all improvements comply with specifications. The agency shall, prior to payment, approve all invoices

relating to the project. The agency shall serve as the primary liaison between the fiscal agent, contractor and engineering firm, and when necessary settle conflicts which may arise during the contract period. Board shall prepare and distribute, to County and City, a quarterly report on the development of the park. In consideration thereof, the agency shall receive a management fee in the amount of \$200.00 per acre of property sold.

7. Governing and administration of park: The Board of the Loudon County Economic Development Agency shall be responsible for the maintenance and administration of the property. It is specifically understood that no property will be sold to any purchaser without the approval of both parties except as may be otherwise authorized under the terms of this agreement. In addition, the Board shall prepare restrictive covenants for the park which shall address at a minimum land use and design restrictions. The Legislative bodies of the County and City shall approve the covenants prior to recording and sale of land.

8. Ownership and maintenance of infrastructure improvements: It is understood that water, sewer, gas, and electric utilities constructed shall be dedicated to the municipal utility and that roads shall be dedicated to the City of Loudon. Excess funds shall not be used within the park for the maintenance of any dedicated utility. Under the proper circumstances, exceptions may be made by the Board as to roads.

9. Assignment of responsibilities of the Economic Development Agency: In the event the Loudon County Economic Development Agency should be dissolved, or its function and organizational structure should be changed, the authority, duties and responsibilities given to it under this agreement, shall be assumed by the successor agency that assumes the comparable role and responsibility presently carried out by the Loudon County Economic Development Agency.

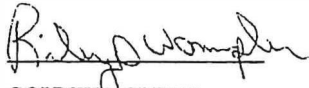
10. Amendments and termination of agreement: This agreement may be amended at any time upon approval of both parties. The agreement shall expire when all the property in the park has been sold and the park excess funds have been spent or are distributed between the parties (based on the same percentage as used for allocating development cost contributions).

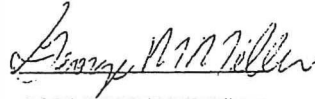
11. Adoption: This agreement shall take effect upon adoption by both parties.

IN WITNESS WHEREOF, the parties herein have executed this agreement in duplicate on the day and date first above written.

ATTEST


COUNTY OF LOUDON

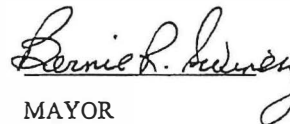

COUNTY CLERK


COUNTY EXECUTIVE

ATTEST:

CITY OF LOUDON


CITY RECORDER


MAYOR

STATE OF TENNESSEE)
COUNTY OF LOUDON)

BEFORE ME, THE UNDERSIGNED AUTHORITY, A Notary Public in and for the State and County aforesaid personally appeared George M. Miller, with whom I am personally acquainted, and who, upon oath, acknowledged himself to be the County Executive of the County of Loudon, the within named bargainor, a political subdivision of the State of Tennessee, and that he as such County Executive being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing the name of the political subdivision by himself as County Executive.

WITNESS my hand and seal, at office in Loudon County, Tennessee, this 19th day of August, 1999.

Jim L. Lantz

Notary Public

my commission expires: 11/13/2001

STATE OF TENNESSEE)

COUNTY OF LOUDON)

BEFORE ME, THE UNDERSIGNED AUTHORITY, A Notary Public in and for the State and County aforesaid personally appeared Bernie R. Swiney, with whom I am personally acquainted, and who, upon oath, acknowledged himself to be the Mayor of the City of Loudon, the within named bargainor, a municipal corporation, and that he as such Mayor being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing the name of the municipal corporation by himself as Mayor.

WITNESS my hand and seal, at office in Loudon County, Tennessee, this 14th day of August 1999.

Sherry Phillip's Long

Notary Public

My commission expires: Aug 7, 2002