



*Bradley County Commission*  
**Johnny Mull, Chairman**  
WORK SESSION AGENDA  
December 9, 2019, at 12:00p.m.  
Bradley County Courthouse

1. Call to order
2. Pledge of Allegiance
3. Invocation – Church of the Nazarene Pastor B.J. Miller
4. Report from County Mayor
5. Reports from Committees and/or Districts
6. Agenda Items
  - A. Courthouse square parking – Commissioner Howard Thompson
  - B. North Lee Elementary Ramblin Ram Robotics Team – Commissioner Thomas Crye
  - C. Resolution approving a payment-in-lieu-of-taxes (PILOT) schedule and delegating authority to enter into a PILOT agreement (see pages 3-6) - Commissioner Bill Winters
  - D. Resolution to rezone from Forestry/Agricultural/Residential (FAR) district to General Industrial (I1) and Forestry/Agricultural/Residential (FAR) district properties located at Old Chattanooga Pike SW and identified by tax map 065 parcel 059.02 and a portion of tax map 064 parcel 082.00 (see pages 7-8) – Commissioner Erica Davis
7. Communication from the audience
8. Announcements
9. Adjourn

Next meeting: Voting Session – Monday, December 16, at 12:00p.m., Courthouse

Upcoming Events

- \*Chamber Coffee, tomorrow, 8:15a.m., Life Care Professional Development Center
- \*North Lee DARE graduation, December 10, 9:00a.m., North Lee School
- \*Waterville DARE graduation, December 11, 9:00a.m., Waterville School
- \*Grand Opening/Ribbon Cutting King's Furniture & Décor, December 11, 4pm, 120 Inman Street
- \*Wreaths Across America, December 14, noon, Veterans Cemetery at Fort Hill
- \*Hopewell DARE graduation, December 16, 9:00a.m., Hopewell School

## RESOLUTION 2019-

### A RESOLUTION APPROVING A PAYMENT-IN-LIEU-OF TAXES (PILOT) SCHEDULE AND DELEGATING AUTHORITY TO ENTER INTO A PILOT AGREEMENT

WHEREAS, the Industrial Development Board of the County of Bradley and the City of Cleveland, Tennessee (the "Board") has recommended a Payment-In-Lieu-Of-Taxes ("PILOT") schedule for Mars Wrigley Confectionery US, LLC (the "Company") which has a planned expansion of existing operations within the City of Cleveland, Bradley County, Tennessee, the construction of real improvements thereon, and the acquisition and installation of certain machinery, equipment and other personal property for use as manufacturing, distribution, and related facilities in Bradley County, Tennessee with a total capital investment of approximately (but not limited to) \$139,200,000.00 (the "Project");

WHEREAS, the Project is anticipated to result in the creation of 79 new full-time positions with weighted average hourly wage of \$21.50 and a minimum hourly wage for production positions of \$17.50.

WHEREAS, the Company has requested that all real and personal property acquired in connection with the Project (collectively, the "Property") qualify for an arrangement (the "PILOT Arrangement") whereby the Property shall be exempt from all ad valorem property taxes otherwise due thereon (collectively, "property taxes"), and in lieu of the property taxes, the Companies shall be required to make annual payments in lieu of taxes equal to sixty-two and one-half (62.5%) of the property taxes otherwise due on the Property during the seven-year period commencing on January 1, 2020 and ending on December 31, 2026;

WHEREAS, the Board has determined that, notwithstanding the PILOT Arrangement, the Project will result in the payment of in lieu of tax payments to Bradley County, Tennessee in an estimated amount of \$2,161,872.36 over the same seven-year period; and

WHEREAS, the County of Bradley, Tennessee (the "County") has determined that the proposed PILOT Arrangement is fair, reasonable, and necessary for the continued economic development of Bradley County and that the payments in lieu of taxes derived from the PILOT Arrangement would be in furtherance of the Board's purposes.

NOW THEREFORE, BE IT RESOLVED by the County Commission of Bradley County, Tennessee as follows:

Section 1. The County hereby agrees to the PILOT Arrangement and hereby delegates the power and authority to the Board to negotiate a PILOT agreement with the Company to reflect the parties' respective rights and obligations in accordance with the PILOT Arrangement.

Section 2. The County hereby authorizes the Mayor to execute any and all documents necessary for the successful completion of the Project, including but not limited to, all documents related to the PILOT Arrangement.

Section 3. This Resolution shall become effective upon its adoption.

Adopted this 16th day of December, 2019.

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Johnny Mull, Chairman

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Donna A. Simpson, County Clerk

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Gary Davis, County Mayor



September 20, 2018

Mr. Jamari Brown, Director of Business Development  
Tennessee Department of Economic and Community Development  
312 Rosa L. Parks Avenue, 27<sup>th</sup> Floor  
Nashville, Tennessee 37243

RE: Mars Chocolate North America, LLC - Cleveland, TN - Local Offer of Incentives

Mr. Brown:

Thank you for providing the City of Cleveland and Bradley County the opportunity to submit a community response to the Mars Chocolate project team's request for a preliminary local offer of incentives related to their planned expansion of the existing Cleveland operations. Please note that our incentive offer is based on a stated total capital investment of \$139,200,000 in years 2018 through 2020, with \$30,500,000 in real property investment and \$108,700,000 in net new personal property/equipment costs. The offer below is also based on the creation of at least 79 direct jobs by December 31, 2020, with a weighted average hourly wage of \$21.50 and a minimum hourly wage for production positions of \$17.50. Also note the value of existing equipment in service and considered a taxable asset at the time of this agreement that is removed from the tax rolls as a result of this proposed project will be deducted from the new equipment investment and ineligible for the proposed tax incentive.

#### Local Incentive Offer

The Cleveland/Bradley Chamber of Commerce Economic Development Council and the Bradley/Cleveland Industrial Development Board are grateful for the opportunity to extend the following incentive offer to Mars Chocolate North America, LLC:

- **Real Estate PILOT:** The City of Cleveland and Bradley County will provide a 37.5% abatement or discount on real property taxes for seven years. Based on a combined city/county tax rate of \$3.7684 per \$100 assessed value and a 40% assessment ratio the company will realize **a total savings of \$1,206,830.10 over the seven-year Real Property PILOT**. The company's total real property tax obligation with the 37.5% abatement over the seven-year period will be \$2,011,383.50 or \$287,340.50/year.
- **Personal Property PILOT:** The City of Cleveland and Bradley County will provide a seven year 37.5% abatement or discount on personal property taxes. Under this arrangement the project will realize **an estimated total savings of \$1,654,373.29 over the seven-year Personal Property PILOT**. The company's total personal property tax obligation over the same period will be \$2,757,288.82 or \$393,898.40/year on average.

**The combined tax savings under the proposed PILOT agreement is \$2,861,203.39.**

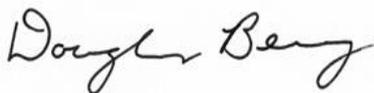
Please note, the estimated tax obligations and savings are based on the information provided. The actual tax value can be higher or lower depending on the actual tax appraisals shown on your local tax assessment. In most cases the final local tax appraisal is lower than the initial company estimates for investment and it should be noted that all PILOT discounts will be based on the property assessor's valuations.

- **Site Development Grant:** The Bradley/Cleveland Industrial Development Board will work with the project team and the State of Tennessee's Department of Economic and Community Development to determine the project's eligibility for and availability of state and federal grant funds to assist with infrastructure upgrades that are necessary to provide service to the proposed project.
- **Workforce Training:** In partnership with the Tennessee Department of Labor and Workforce Development, Tennessee Department of Economic and Community Development, Cleveland State Community College, Tennessee College of Applied Technology, and Bradley Central, Walker Valley and Cleveland High School career technical education programs; the local community will work with company officials to develop a customized worker screening and training program for new hires with appropriate state and/or local financial support.
- **Tennessee Valley Authority Incentive Programs:** The Bradley/Cleveland Industrial Development Board in partnership with the local power company, Cleveland Utilities, will assist the project team in determining the proposed project's eligibility for participation in the **VIP (Valley Incentive Programs) Investment Credit**. Jointly offered by TVA and the local power company, the investment credit provides discounts on power cost for up to ten years by providing credits against the company's monthly power bill.

For your information, all discussions and preliminary incentive commitments by staff and the Economic Development Council and Industrial Development Board are in complete confidence. The above stated offer of incentives is subject to final approval by the governing bodies as required under Tennessee statute. The timeframe for local approval of an incentive package is two to four weeks from the receipt of a letter of intent from the company. If necessary, the elected bodies will hold special called meetings to meet fast-track approval requests by companies.

We believe the project being proposed by Mars Chocolate North America, LLC is an exciting opportunity for our community and the Greater Chattanooga region. The company has been a valued contributor to our economy and community for many years and we are committed to providing appropriate local support to ensure the company can operate profitably in Cleveland. If you need additional information, please do not hesitate to contact me at 423.584.5005 or [dberry@clevelandchamber.com](mailto:dberry@clevelandchamber.com) .

Sincerely,



Douglas Berry  
Vice President, Economic Development  
Cleveland/Bradley Chamber of Commerce  
Bradley/Cleveland Industrial Development Board

# Rezoning Request

November 12, 2019

Prepared by the Bradley County Planning & Inspections Office



**Legend**

- Zoning Districts**
- Zoning Classification**
- C-1
  - C-2
  - C-3
  - FAR
  - I-1
  - I-2
  - P-1
  - R-1
  - R-2

Applicant: Lubing Systems LP (John Hawk)  
 Address: Old Chattanooga Pike SW  
 Tax Map: 065 Parcel: 059.02 and Tax Map: 064 Parcel: 082  
 Commission District: 6  
 Present Zoning: FAR Forestry/Agricultural/  
 Residential & I-1 General Industrial  
 Proposed Zoning: I-1 General Industrial & FAR  
 Forestry/Agricultural/Residential  
 Current Use: Vacant  
 Proposed Use: Industrial/Warehousing and Vacant

**The Bradley County Regional Planning Commission has Recommended Approval of this Rezoning Request**





## RESOLUTION 2019-

### RESOLUTION TO REZONE FROM FAR FORESTRY/AGRICULTURAL/RESIDENTIAL DISTRICT AND I-1 GENERAL INDUSTRIAL DISTRICT TO I-1 GENERAL INDUSTRIAL AND FAR FORESTRY/AGRICULTURAL/RESIDENTIAL PROPERTIES LOCATED AT OLD CHATTANOOGA PIKE SW AND IDENTIFIED BY TAX MAP: 065 PARCEL: 059.02 AND A PORTION OF TAX MAP: 064 PARCEL: 082.00

**WHEREAS**, Lubing Systems LP (John Hawk) petitioned the Bradley County Planning Commission to rezone from FAR Forestry/Agricultural/Residential and I-1 General Industrial to I-1 General Industrial and FAR Forestry/Agricultural/Residential property located at Old Chattanooga Pike and identified by Tax Map: 065 Parcel: 059.02 and a portion of Tax Map: 064 Parcel: 082.00 and said Planning Commission on November 21, 2019 recommended approval of the rezoning request;

**WHEREAS**, Lubing Systems LP (John Hawk) requested that the Bradley County Commission consider said petition and notice has been published in a newspaper in general circulation in Bradley County and that the County Commission will hold a public hearing on December 16<sup>th</sup>, 2019 concerning the passage of this Resolution as required by law, and such hearing having been held.

**NOW, THEREFORE BE IT RESOLVED** by the county legislative body of Bradley County meeting in session at Bradley County, Tennessee, on the 16<sup>th</sup> day of December, 2019 that the zoning map of Bradley County, Tennessee be amended to rezone from FAR Forestry/Agricultural/Residential and I-1 General Industrial to I-1 General Industrial and FAR Forestry/Agricultural/Residential property located at Old Chattanooga Pike SW and described in Deed Book: 2538 Page: 236 and Deed Book: 1227 Page: 869 , Bradley County Register of Deed's Office and identified Tax Map: 065 Parcel: 059.02 and a portion of Tax Map: 064 Parcel: 082.00 as shown on the attached map.

This Resolution shall become effective upon adoption, the public welfare requiring it.

Adopted this 16<sup>th</sup> Day of December, 2019.

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Johnny Mull, Chairman

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Donna A. Simpson, County Clerk

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D. Gary Davis, County Mayor