

## RESOLUTION

WHEREAS, in 1987, the Board of County Commissioners of Shelby County, Tennessee, and the Memphis City Council granted the Industrial Development Board of the City of Memphis and County of Shelby authority to provide financial incentives in the form of payment in lieu of ad valorem taxes (PILOT) to attract new businesses and new job opportunities; and

WHEREAS, the policies of the Industrial Development Board have been amended over the years to strengthen the program and provide benefits commensurate with the level of investment, the number of jobs, and wages provided by businesses receiving a PILOT and to ensure performance of the commitments in these areas, the most recent amendments having been adopted in 2007 upon the recommendation of the Memphis City Council and the Board of County Commissioners of Shelby County, Tennessee; and

WHEREAS, the PILOT program has become the key recruitment tool for Memphis and Shelby County in attracting new jobs and investment, using an internationally recognized benefit versus cost analysis and matrix scoring system to ensure that new jobs recruited to the community generate more revenues than taxes forgiven; and

WHEREAS, Memphis and Shelby County's unique location at the center of the country, combined with its unparalleled infrastructure and multimodal transportation capacity, makes it an attractive place for business; and

WHEREAS, the competition between cities to attract new jobs and industry has grown dramatically over the past decade, both with traditional peer cities and, most notably, with other parts of the Memphis, TN-MS-AR Metropolitan Area; and

WHEREAS, due to a variety of factors, other parts of the Metropolitan Area have been increasingly successful over the past several years, surpassing Memphis and Shelby County in the construction and leasing of warehouse/distribution space; and

WHEREAS, a number of PILOT program policies have imposed an unintended burden on businesses making it more costly, and in some cases uneconomical, for them to locate or expand their business in Memphis and Shelby County or to receive financing, causing said companies to locate their facilities in other communities; and

WHEREAS, the Council of the City of Memphis, Tennessee desires to improve the PILOT program and policies by approving the amendments set forth in Exhibit A attached hereto and incorporated by reference, so as to make the community more competitive in attracting jobs and investment while protecting and providing the most cost-effective opportunities for its taxpayers.

NOW, THEREFORE, **BE IT RESOLVED** by the Council of the City of Memphis that the Industrial Development Board of the City of Memphis and County of Shelby is hereby instructed to immediately take whatever action is necessary to effectuate the policy and program changes outlined in Exhibit A.

**BE IT FURTHER RESOLVED**, that should the provisions, outlined in Exhibit A conflict with any previous Resolution of the Council of the City of Memphis, the provisions of this Resolution shall prevail.

**BE IT FURTHER RESOLVED**, that the Industrial Development Board of the City of Memphis and County of Shelby is hereby authorized to amend its Corporate Charter, its Policy Manual, other governing or guidance documents, and its leases and other legal documents as necessary to implement the policy and program changes outlined in Exhibit A.

**BE IT FURTHER RESOLVED**, that, notwithstanding any prior Resolution adopted by the Council of the City of Memphis, the Industrial Development Board of the City of Memphis and the County of Shelby is hereby authorized to apply policy and program changes adopted pursuant to this Resolution to PILOTs approved subsequent to August 15, 2007. This provision, among other things retroactively eliminates to August, 2007, the need for a 75% residency requirement and for the requirement of companies to provide a letter of credit, escrow funds to guard against tax losses during the PILOT ramp up period, or to pay back local taxes should their PILOTs not run to full term.