

RESOLUTION NO. 25466

A RESOLUTION TO MAKE CERTAIN FINDINGS RELATING TO WESTINGHOUSE ELECTRIC COMPANY, LLC PROJECT, TO DELEGATE CERTAIN AUTHORITY TO THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF HAMILTON, TENNESSEE, AND TO AUTHORIZE THE MAYOR TO ENTER INTO AND EXECUTE AN AGREEMENT FOR PAYMENTS IN LIEU OF AD VALOREM TAXES.

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WHEREAS, pursuant to Tennessee Code Annotated §7-53-305(b), the City of Chattanooga (the "City") is permitted to delegate to The Industrial Development Board of the County of Hamilton, Tennessee (the "Corporation"), the authority to negotiate and accept payments in lieu of ad valorem taxes from lessees of the Corporation upon a finding by the City that such payments are deemed to be in furtherance of the Corporation's public purposes; and

WHEREAS, Westinghouse Electric Company, LLC (the "Company") intends to purchase and expand the manufacturing facility located at 401 River Terminal Road in Chattanooga, Hamilton County, Tennessee, and to purchase certain equipment and other tangible personal property, and, because of the substantial economic benefits to the City resulting from the project, the Company has asked the Corporation and the City to approve payments in lieu of ad valorem taxes; and

WHEREAS, the Company expects to invest approximately FIVE MILLION ONE HUNDRED FIFTY THOUSAND DOLLARS (\$5,150,000.00) in real property and SIX HUNDRED THOUSAND DOLLARS (\$600,000.00) in personal property by February 13, 2011 in the purchase and expansion; and

WHEREAS, the Company expects that when the new Facility is completed and operational, the expansion will result in 52 new, full-time jobs with average annual wages, excluding benefits, of EIGHTY FIVE THOUSAND DOLLARS (\$85,000.00) during the five year period beginning February 14, 2008; and

WHEREAS, the Company has agreed that if its new investment in the Personal Property is less than the amounts described above, or if fewer full-time jobs than described above are created, the City and Hamilton County, Tennessee, shall each have the right to amend the terms of that certain Agreement for Payment of Lieu of Ad Valorem Taxes to be entered into by and among the Corporation, the City, the County, the City Trustee, and the County Assessor (the "Agreement") to reduce the tax abatements prospectively and require the repayment of taxes previously abated; and

WHEREAS, the Board of Commission has determined that payments in lieu of ad valorem taxes from such a project would be in furtherance of the Corporation's public purposes as set forth within Chapter 53 of Title 7 of the Tennessee Code Annotated;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, that The Industrial Development Board of the County of Hamilton, Tennessee, be and is hereby authorized to negotiate and accept payments in lieu of ad valorem taxes from Westinghouse Electric Company, LLC, it being further noted that this authority is for this purpose and this project only; and

BE IT FURTHER RESOLVED, that the Mayor be and is hereby authorized to enter into an Agreement in substantially the form attached hereto, with such changes thereto as the Mayor shall approve.

ADOPTED:           March 25          , 2008