



Hamilton County Board of Commissioners

RESOLUTION

No. 1101-26

A RESOLUTION TO MAKE CERTAIN FINDINGS RELATING TO THE UNUMPROVIDENT CORPORATION PROJECT, TO DELEGATE CERTAIN AUTHORITY TO THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA, AND TO AUTHORIZE THE COUNTY EXECUTIVE TO ENTER INTO AND EXECUTE AN AGREEMENT FOR PAYMENTS IN LIEU OF AD VALOREM TAXES.

WHEREAS, pursuant to Tennessee Code Annotated, Section 7-53-305(b) Hamilton County (the "County") is permitted to delegate to The Industrial Development Board of the City of Chattanooga (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 County that such payments are deemed to be in furtherance of the Corporation's public purposes; and,

WHEREAS, UnumProvident Corporation ("UnumProvident") is contemplating the acquisition, construction and equipping of a parking deck and an office building on property located in Chattanooga, Hamilton County, and, because of the substantial economic benefits to Hamilton County resulting from the project, has asked the Corporation and the County to approve payments in lieu of ad valorem taxes; and

WHEREAS, the County 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 THIS COUNTY:

That we do hereby find that the UnumProvident Corporation project referenced above is in the best interest of Hamilton County, and that payments in lieu of ad valorem taxes derived therefrom would be in furtherance of the Corporation's public purposes; and,

That, having made such a finding in this instance, we do hereby delegate to the Corporation the authority to negotiate and accept payments in lieu of ad valorem taxes from UnumProvident, it being further noted that this delegation is for this purpose and this project only; and,

That the County Executive is hereby authorized to enter into an Agreement for Payments In Lieu Of Ad Valorem Taxes in the form attached hereto, with such changes thereto as the County Executive shall approve; and,

BE IT FURTHER RESOLVED THAT THIS RESOLUTION TAKE EFFECT FROM AND AFTER ITS PASSAGE, THE PUBLIC WELFARE REQUIRING IT.

C:\WINDOWS\TEMPORARY INTERNET FILES\OLK62F1\#911811 V1 - COUNTY COMM. RES. - UNUMPROVIDENT.WPD

DE GAME LAW UNDER TEN (10) DAY PROVISION
CHAPTER 934, TENNESSEE PUBLIC ACTS OF 1978

ATTEST [Signature]
Deputy County Clerk

DATE 11-19-01

Approved:

Rejected:

Approved:

Vetoed:

CERTIFICATION OF ACTION

[Signature]
County Clerk

County Executive

NOVEMBER 7, 2001

[Signature]
Date



RHEUBIN MCGHEE TAYLOR
COUNTY ATTORNEY



DAVID W. NORTON
ASSISTANT COUNTY ATTORNEY


**HAMILTON COUNTY GOVERNMENT
OFFICE OF THE COUNTY ATTORNEY**

MARY NEILL SOUTHERLAND
ASSISTANT COUNTY ATTORNEY

CLAUDE T. RAMSEY
COUNTY EXECUTIVE
BOARD OF COMMISSIONERS
CURTIS D. ADAMS
RICHARD CASAVANT
HAROLD L. COKER
WILLIAM R. COTTON, JR.
JOANNE H. FAVORS
BILL HULLANDER
BEN F. MILLER
FRED R. SKILLERN
CHARLOTTE E. VANDERGRIF

MEMORANDUM

TO: *Debbie Sterchi*

FROM: *Rheubin M. Taylor* 

DATE: *January 16, 2002*

RE: *Agreement For Payments In Lieu Of Ad Valorem Taxes*

Please find enclosed an executed copy of the Agreement between The Industrial Development Board of Hamilton County; Provident Life & Accident Insurance Company; the City of Chattanooga; and Hamilton County which has been executed by all parties involved.

Enclosure

*cc: Bill Bennett
Bill Nobles*

w:ltr_pilot agreement.as

**AGREEMENT FOR PAYMENTS IN LIEU
OF AD VALOREM TAXES**

THIS AGREEMENT is made and entered into as of this the first day of December, 2001, by and among THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA (the "Board"); PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY, a Tennessee corporation ("Provident"); the CITY OF CHATTANOOGA (the "City"); and HAMILTON COUNTY (the "County") and is joined in, for purposes of evidencing their acceptance of the agency relationship established herein, by WILLIAM R. NOBLES and his successors, acting in the capacity of HAMILTON COUNTY TRUSTEE ("Trustee"), and by WILLIAM C. BENNETT and his successors, acting in the capacity of HAMILTON COUNTY ASSESSOR OF PROPERTY ("Assessor").

W I T N E S S E T H:

WHEREAS, Provident is contemplating the acquisition, construction and equipping of a parking deck and an office building on property located in Chattanooga, Hamilton County, Tennessee (the "Project"), and has requested the Board's assistance in the financing of the Project; and

WHEREAS, substantial economic benefits to the City and County economies will be derived from the Project; and

WHEREAS, the Board has agreed to take title to certain real property constituting a part of the Project, as described in Exhibit "A" attached hereto (the "Real Property"), and to certain personal property constituting a part of the Project, as described in Exhibit "B" attached hereto (the "Personal

Property”) (collectively referred to herein as the "Property"), which Property is to be owned by the Board and leased to Provident; and

WHEREAS, because the Property is to be owned by the Board, which is a public corporation organized under the provisions of Tennessee Code Annotated, §7-53-101, et seq., all such property will be exempt from ad valorem property taxes ("property taxes") normally paid to the City and to the County, so long as the Property is owned by the Board, pursuant to the provisions of Tennessee Code Annotated, § 7-53-305; and

WHEREAS, for the public benefit of the citizens of the City and the County, the Board has requested that Provident make certain payments to the Board in lieu of the payment of property taxes that would otherwise be payable on the Property; and

WHEREAS, Provident has agreed to make such payments to the Board in lieu of the property taxes otherwise payable on the Property (the "In Lieu Payments"), as more particularly set forth hereinafter; and

WHEREAS, the Board has been authorized to receive the In Lieu Payments in lieu of property taxes by resolutions adopted by the City and the County, acting through their duly elected Council and Commission, respectively, which resolutions delegate to the Board the authority to accept the In Lieu Payments upon compliance with certain terms and conditions, including, without limitation, the requirement that the Board collect and expend such payments in furtherance of the public purposes for which the Board was created; and

WHEREAS, Provident and the Board have agreed that all In Lieu Payments made to the Board by Provident shall be paid to the Trustee, who shall disburse such amounts to the general funds of the City and the County in accordance with the requirements specified herein; and

WHEREAS, the Board wishes to designate the Assessor as its agent to appraise the Property and assess a percentage of its value in the manner specified herein; and

WHEREAS, the Board wishes to designate the Trustee as its agent to receive the In Lieu Payments in accordance with the terms of this Agreement;

NOW, THEREFORE, IN CONSIDERATION OF the mutual covenants and agreements set forth herein, the parties hereto agree as follows:

1. Designation of Assessor; Appraisal and Assessment of Property. The Board hereby designates the Assessor as its agent to appraise and assess the Property. The Assessor shall appraise and assess the Property in accordance with the Constitution and laws of the State of Tennessee as though the Property were subject to property taxes. The Assessor shall give the Trustee, the City Treasurer, the Board, and Provident written notice of any changes in appraisals of the Property in the same manner that notices are given to owners of taxable property. The Assessor shall make available to the Board and Provident all records relating to the appraisal and assessment of the Property.

2. Designation of Trustee; Computation and Billing of Payments In Lieu of Taxes. The Board hereby designates the Trustee as its agent to compute the amounts of the In Lieu Payments, to receive such payments from Provident and to disburse such payments to the City and the County. On or about October 1 of each year during the term of this agreement, the Trustee shall compute the taxes which would be payable on the Property if it were subject to property taxes, in accordance with the Constitution and laws of the State of Tennessee and in accordance with the appraisal and assessment of the Assessor. Each year hereunder, the Trustee shall send the Board and Provident a bill for appropriate amounts of In Lieu Payments (the "Tax Bill").

3. Payments in Lieu of Taxes. After receipt of the Tax Bill, Provident shall pay to the Trustee the amounts indicated on the Tax Bill in accordance with the amount set forth below in Paragraph 4. The In Lieu Payments shall be made by Provident in lieu of the property taxes which would otherwise be payable on the Property if it were subject to property taxes.

4. Amount of Payments by Provident. For each of the fifteen (15) calendar years following the year that the Property constituting the parking deck is completed, Provident shall make In Lieu Payments in an amount, as determined by the Assessor and the Trustee, equal to twenty-five percent (25%) of the amount of the taxes that would have been payable on the Property constituting the parking deck if it were subject to property taxes. For each of the fifteen (15) calendar years following the year that the Property constituting the office building is completed, Provident shall make In Lieu Payments in an amount, as determined by the Assessor and the Trustee, equal to twenty-five percent (25%) of the amount of the taxes that would have been payable on the Property constituting the office building if it were subject to property taxes. For any periods before or after such respective fifteen (15) year periods that the Property constituting the parking deck or the office building is owned by the Board, Provident shall make In Lieu Payments in an amount, as determined by the Assessor and the Trustee, equal to one hundred percent (100%) of the amount of taxes that would have been payable on the Property if it were subject to property taxes.

5. Penalties and Late Charges. Provident shall make the In Lieu Payments for each year before March 1 of the following year. All In Lieu Payments shall be subject to penalties, late charges, fees and interest charges as follows:

(a) If Provident fails to make any In Lieu Payment when due, and such failure to pay shall continue and not be fully paid within thirty (30) days after written notice of such non-payment has

been provided, then a late charge shall be charged and shall also be immediately due and payable. The late charge shall be in the amount of one and one-half percent (1-1/2%) of the owed amount, for each month that each payment has been unpaid. Such one and one-half percent (1-1/2%) per month late charge amount shall accumulate each month and be payable so long as there remains any outstanding unpaid amount.

(b) If Provident should fail to pay all amounts and late charges due as provided hereinabove, then the Board, the City or the County may bring suit in the Chancery Court of Hamilton County to seek to recover the In Lieu Payments due, late charges, expenses and costs of collection in addition to reasonable attorneys' fees.

6. Disbursements by Trustee. All sums received by the Trustee pursuant to Paragraph 3 shall be disbursed to the general funds of the City and the County in accordance with this paragraph and in accordance with the normal requirements of law governing the settlement and paying over of taxes to counties and municipalities. All sums received shall be divided into two (2) accounts, one for the use and benefit of the City and the other for the use and benefit of the County. The account for the use and benefit of the City shall be funded with the proportionate amount to which the In Lieu Payments are attributable to property taxes which would otherwise be owed to the City, and the account for the use and benefit of the County shall be funded with the proportionate amount to which the In Lieu Payments are attributable to property taxes which would otherwise be owed to the County. All disbursements to the general funds of the City and County shall be made by the Trustee subject to the requirement that all funds disbursed may be used by the City and the County only in furtherance of the public purposes of the Board, as described in Tennessee Code Annotated § 7-53-102.

7. Contest by Provident. Provident shall have the right to contest the appraisal or assessment of the Property by the Assessor and the computation by the Trustee of the amount of the In Lieu Payment. If Provident contests any such appraisal or assessment, then it shall present evidence to the Assessor in favor of its position. Likewise, if Provident contests any such computation, it shall present evidence to the Trustee in favor of its position. If the In Lieu Payments being contested shall be or become due and payable, Provident shall make such payments under protest. Provident and the Assessor or the Trustee, as the case may be, shall negotiate in good faith to resolve any disputes as to appraisal, assessment or computation. If Provident and the Assessor or the Trustee are unable to resolve a dispute, then Provident may file suit in the Chancery Court of Hamilton County to ask that the provisions of this Agreement, including those covering appraisal, assessment and computation, be construed or applied to the relevant facts by the Chancery Court in order to resolve such dispute.

8. Lien on Property. Any amounts which remain payable under this Agreement shall become a lien on the Property, and such lien shall be enforceable against the Property in the event that any payment owing hereunder is not timely made in accordance with this Agreement.

9. Term. This Agreement shall become effective on the date that the Board attains title to the Property and shall continue for so long as the Board holds title to any of the Property or Provident has made all payments required hereunder, whichever shall later occur.

10. Leasehold Taxation. If the leasehold interest of Provident should be subject to ad valorem taxation, then any amounts assessed as taxes thereon shall be credited against any In Lieu Payments due hereunder. Provident agrees to cooperate fully with the Assessor in supplying information for completion of leasehold taxation questionnaires with respect to the Property.

11. Stormwater Fees. Provident shall be responsible for all stormwater fees assessed by the City of Chattanooga against the Real Property.

12. Notices, etc. All notices and other communications provided for hereunder shall be written (including facsimile transmission and telex), and mailed or sent via facsimile transmission or delivered, if to the City or the Board, c/o Mr. Randall L. Nelson, Suite 400, Pioneer Bank Building, Chattanooga, Tennessee 37402; if to the County, c/o Mr. Rheubin M. Taylor, County Attorney, Hamilton County Government, Room 204, County Courthouse, Chattanooga, Tennessee 37402-1956; if to Provident, Suite 120, One Fountain Square, Chattanooga, Tennessee 37402, Attention: Facilities Management; if to the Trustee, at his address at Hamilton County Courthouse, Chattanooga, Tennessee 37402; and if to the Assessor, at his address at Hamilton County Courthouse, Chattanooga, Tennessee 37402; or, as to each party, at such other address as shall be designated by such party in a written notice to the other party. All such notices and communications shall, when mailed by registered and certified mail, return receipt requested, Express Mail, or facsimile, be effective when deposited in the mails or if sent upon facsimile transmission, confirmed electronically, respectively, addressed as aforesaid.

13. No Waiver; Remedies. No failure on the part of any party hereto, and no delay in exercising any right under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise thereof or the exercise of any other right. The remedies provided in this Agreement are cumulative and are not exclusive of any remedies provided by law.

14. Severability. In the event that any clause or provision of this Agreement shall be held to be invalid by any court or jurisdiction, the invalidity of any such clause or provision shall not affect any of the remaining provisions of this Agreement.

15. No Liability of Board's Officers. No recourse under or upon any obligation, covenant or agreement contained in this Agreement shall be had against any incorporator, member, director or officer, as such, of the Board, whether past, present or future, either directly or through the Board. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director or officer, as such, is hereby expressly waived and released as a condition of and consideration for the execution of this Agreement.

16. Binding Effect. This Agreement shall be binding upon and inure to the benefit of each of the parties and signatories hereto and to their respective successors and assigns.

17. Governing Law. The Agreement shall be governed by, and construed in accordance with, the laws of the State of Tennessee.

18. Amendments. This Agreement may be amended only in writing, signed by each of the parties hereto, except that the Trustee and the Assessor shall not be required to join in amendments unless such amendments affect their respective duties hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and date first above written.

ATTEST:

BY: *James G. Muller*
Secretary

THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF CHATTANOOGA

BY: *James S. Boney*
Chairman

PROVIDENT LIFE & ACCIDENT INSURANCE
COMPANY

BY: *Edna J. Smith*
Title: *VP Facilities Management*

CITY OF CHATTANOOGA, TENNESSEE

BY: *Donna R. Boney*
Mayor

Approved: *James S. Boney*
James S. Boney

HAMILTON COUNTY, TENNESSEE

BY: *Glenn H. Harty*
County Executive

WILLIAM R. NOBLES

BY: *W. R. Nobles*
Hamilton County Trustee

WILLIAM C. BENNETT

BY:



Hamilton County Assessor of Property

EXHIBIT "A"
TO PILOT AGREEMENT FOR
PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY

REAL PROPERTY

In the City of Chattanooga, Hamilton County, Tennessee:

Being all of Lot 5, as shown on Final Subdivision Plat, UnumProvident Corporation Parking Structure No. 1, recorded in Plat Book 67, Page 76, in the Register's Office of Hamilton County, Tennessee, and being more particularly described as follows:

Beginning at a point where the east line of Lookout Street is intersected by the north line of East 5th Street, said point being the southwest corner of Lot 5 hereafter described; thence North 01 degree 52 minutes 58 seconds West along the said east line of Lookout Street a distance of 366.54 feet to the southwest corner of "Tract 5 Dedication of Right-of-way to City of Chattanooga" as recorded in Plat Book 63, Page 145, in said Register's Office; thence leaving Lookout Street and along the southern lines of said "Tract 5", which will be the future southern right-of-way lines of East 4th Street, South 83 degrees 43 minutes 34 seconds East 95.41 feet and North 88 degrees 07 minutes 02 seconds East 158.25 feet to a point in the west line of High Street; thence South 01 degree 52 minutes 58 seconds East along the said west line of High Street a distance of 353.00 feet to its intersection with the North line of East 5th Street; thence South 88 degrees 07 minutes 02 seconds West along the north line of East 5th Street a distance of 252.69 feet to the Point of Beginning and containing 2.065 acres.

In the City of Chattanooga, Hamilton County, Tennessee:

Beginning at a point where the southern lines of East 5th Street is intersected by the western line of Lookout Street; thence South 88 degrees 07 minutes 02 seconds West along the said southern line of East 5th Street, crossing Walnut Street and continuing a total distance of 576.0 feet to a point where East 5th Street intersects the eastern line of Cherry Street; thence North 01 degree 52 minutes 58 seconds West, crossing East 5th Street and continuing along the East line of Cherry Street a total distance of 376.0 feet to a point; thence northeastwardly with a curve to the right, said curve rounding the intersection of the eastern line of Cherry Street with the southern line of East 4th Street, said curve having a radius of 90.00 feet, an arc distance of 141.37 feet to a point on the southern line of East 4th Street; thence North 88 degrees 07 minutes 02 seconds East along the southern line of East 4th Street, crossing Walnut Street, and continuing a total distance of 486.0 feet to a point where said south line of East 4th Street is intersected by the West line of Lookout Street; thence South 01 degree 52 minutes 58 seconds East along the West line of Lookout Street a total distance of 466.0 feet to a point where the said West line of Lookout Street is intersected by the south line of East 5th Street, the Point of Beginning. The above described area contains 6.7757 acres.

EXHIBIT "B"
TO PILOT AGREEMENT FOR
PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY

PERSONAL PROPERTY

All personal property used by Provident Life & Accident Insurance Company in connection with its parking deck or office building located on the real property described in the foregoing Exhibit "A."

UNUMPROVIDENTSM



*This was not
submitted at
the 11/10/01 meeting.
Res. 1101-26
*28 was not
submitted for record.*

**Chattanooga Campus Development Plans
Informational Briefing**

October 25, 2001

Chattanooga Development Plans

- **UnumProvident will publicly announce on October 26 plans to construct a parking deck on our Chattanooga campus.**
- **The parking deck is an important initial step in the long-range development plans for UnumProvident's downtown Chattanooga campus, which also anticipates construction of a third office building.**
- **Our long-range development plans are necessary to accommodate the employment growth we have experienced in our Chattanooga operations, as well as our projections for future growth.**
 - Since 1996, 782 new jobs have been added in Chattanooga (7.0% annual growth rate).
 - We currently have 150 employees in leased downtown office space, with expectations of 200 additional employees over the next year.
- **We will be meeting with the City Council and County Commission in November to request approval of a Payment in Lieu of Tax Agreement (PILOT) for these construction projects.**



Parking Deck

Description

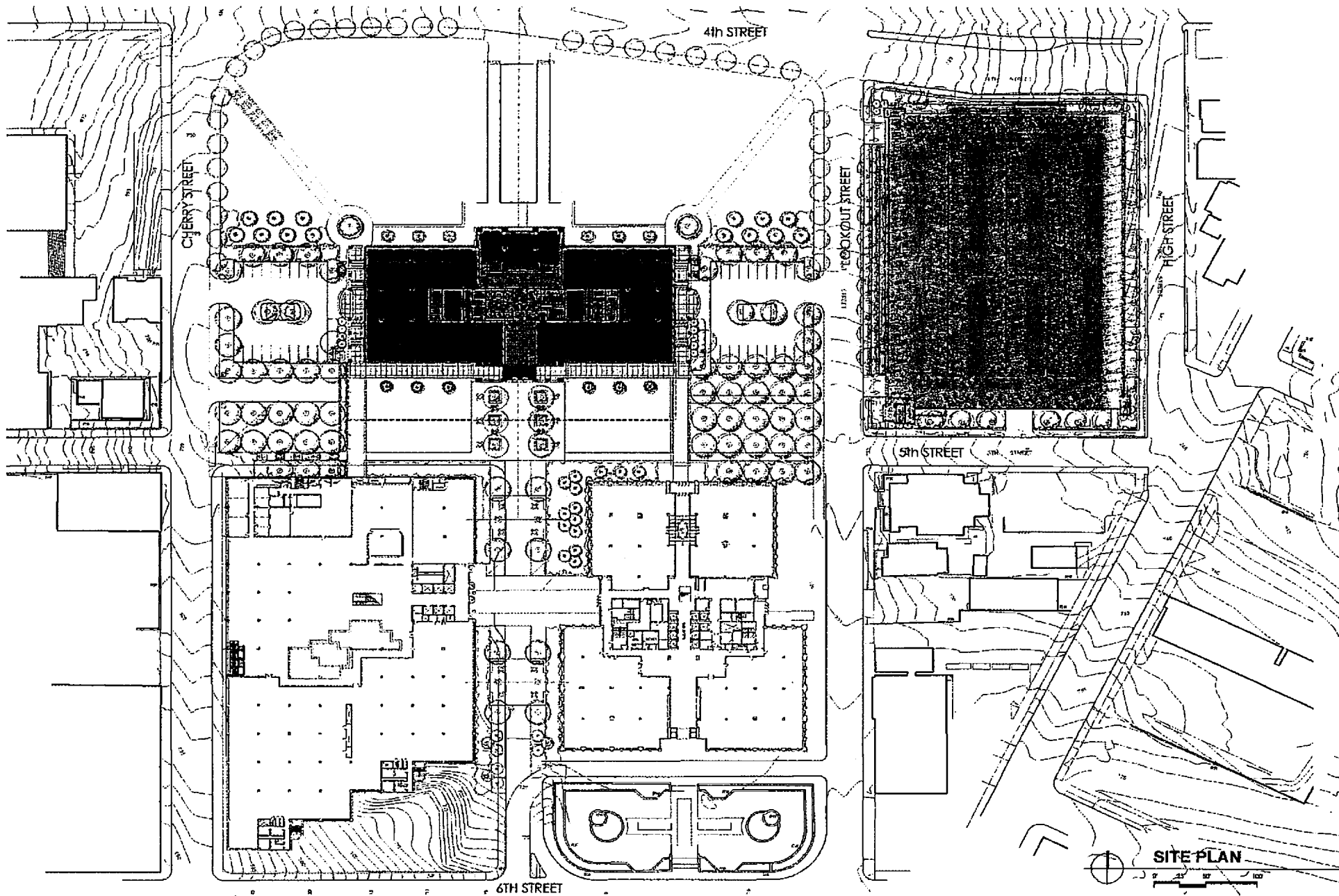
Scope: Multi-level parking garage to accommodate 1,013 cars located on the surface parking lot bounded by 4th Street and 5th Street and by Lookout Street and High Street.

Schedule: 12 months to completion with an estimated start date in December, 2001

Project Investment: \$12,000,000

Architects: McCarty-Holsapple-McCarty Architects & Interior Designers (Knoxville)
Derthick, Henley & Wilkerson Architects (Chattanooga)

Construction Manager: Schaerer Contracting Company (Chattanooga)

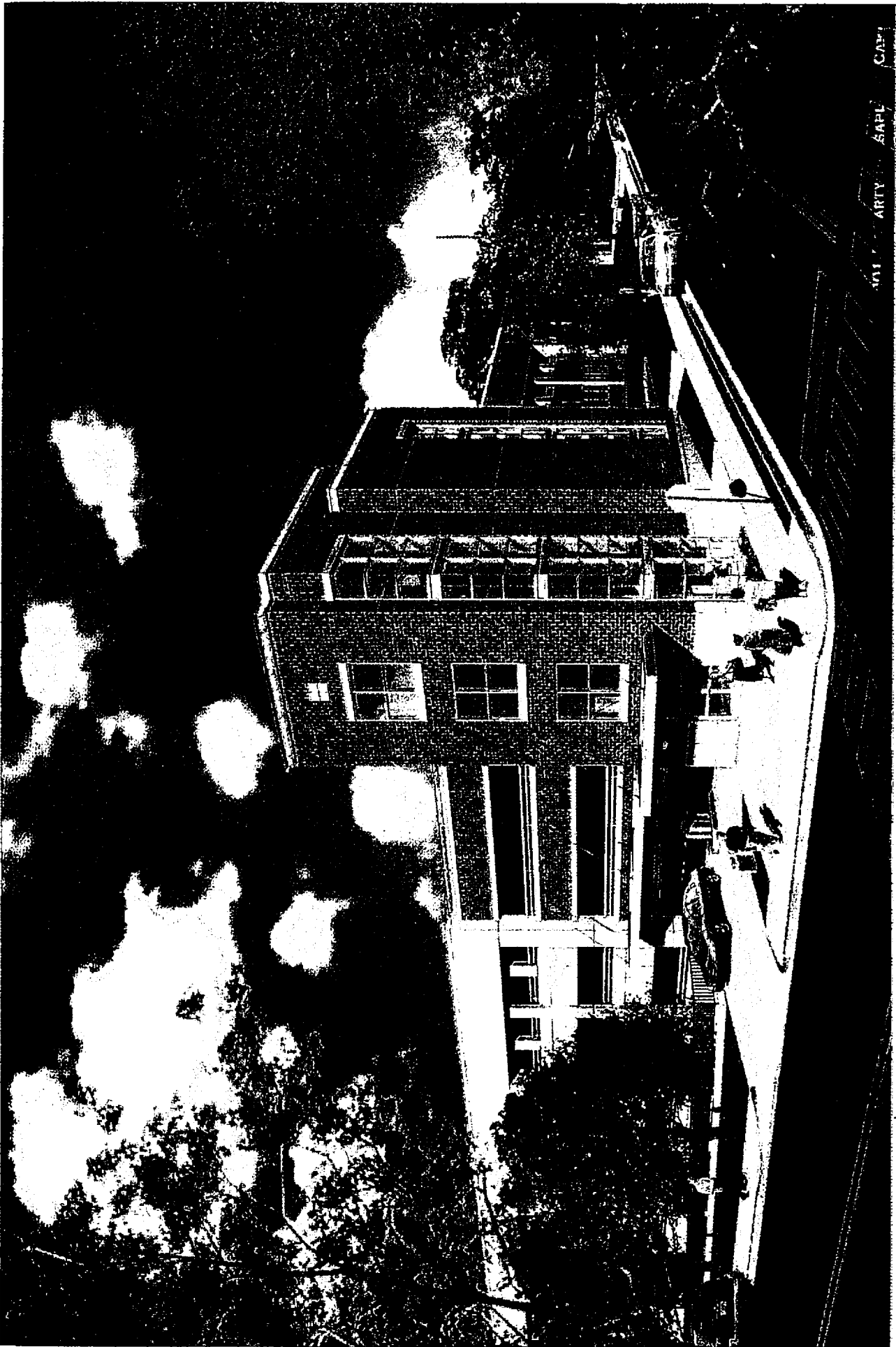




UNUMPROVIDENT 



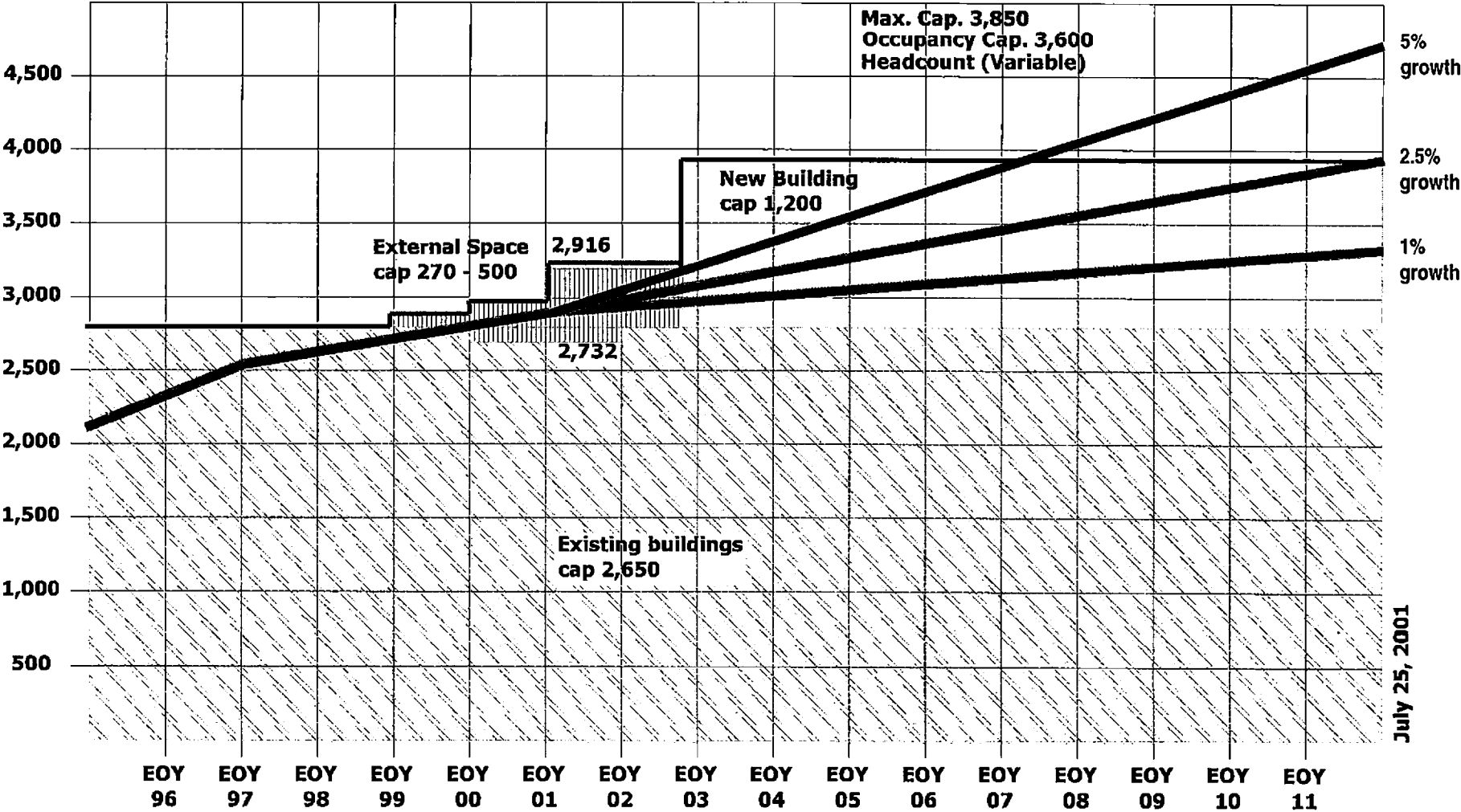
2001 MCCARTY HOLSTEIN BLVD



UNUMPROVIDENT

ARTY SAPL CAPL

Chattanooga Projection



Timetable

October 25, 2001	Informational Briefing with Chattanooga City Council and Hamilton County Commission
October 26, 2001	Submit PILOT Agreements to City Council and County Commission for Approval
October 26, 2001	Employee and Public Announcements
November 1, 2001	County Commission Agenda Session
November 6, 2001	City Council Meeting
November 7, 2001	County Commission Meeting
December 3, 2001	Site Mobilized
October 25, 2002	Parking Deck Completed
November 25, 2002	Anticipated Beginning of Office Building Construction

