

# The Industrial Development Board of the City of Knoxville

## Payment-in-Lieu-of-Tax Transaction Fee Schedule

### 1. Agenda Fees

This fee is assessed on matters considered by the Board of Directors at a special called meeting of the Directors. The fee is not assessed if the matter is brought to a regular called meeting. The agenda fee for a special called meeting is \$2,500.00.

### 2. Application Fees

The Application form must be completed and submitted with an Application Fee calculated as follows:

<u>Estimated Project Investment At the Time of Application</u>	<u>Application Fee</u>
\$1,000,000 - \$2,500,000	\$2,000
\$2,500,001 - \$5,000,000	\$3,000
\$5,000,000 - and greater	\$4,000

### 3. Closing Fees

A Closing Fee computed as follows, will be paid to the Board prior to, or at, the closing of the Lease. Closing Fees for payment-in-lieu-of-tax transactions are based on the benefits that an Applicant will receive (i.e., value of the tax savings over the applicable tax freeze term) rather than on the total Project investment.

Board counsel will submit drafts of all closing documentation (including one or more Deeds, Bills of Sale and Leases) after the Board's approval of the Application. The Board will consider refunding the application fee in the event Lessee shall execute a Lease within thirty (30) days after delivery of Lease Documents by the IDB's counsel (or soon thereafter based upon reasonable conditions for the project related to the securing of financing, obtaining historic tax credits and similar project requirements).

The Closing Fee for a payment-in-lieu-of tax transaction with the Board shall not exceed 5% of the tax savings, as calculated by the Board or its consultant, with a maximum of \$300,000. The Applicant receiving the property tax incentive will also be responsible for paying any additional expenses related to the transaction (i.e., fees of Board counsel, title attorney fees, title insurance premiums, copies, postage, long distance telephone calls, etc).

**Applicants must close on their real and personal property on or before a date established by the Board at the time of its approval. If such a date is not**

established, the Applicant must close within the 120-day period after the distribution of the closing documents by the Board's counsel.

**4. Lease Amendments**

Amendments to existing leases shall require a fee of \$1,000.

**5. Assignment of Payment-in-Lieu-of-Tax Benefits/Transfer Fees**

Payment-in-lieu-of-tax incentive benefits are not assignable without the prior consent of the Board. Parties seeking a transfer of an existing payment-in-lieu-of-tax incentive shall confer with the staff or agent of the Board to determine the proper procedure in the specific transaction. The Board's staff or agent will recommend to the Board that the transfer be approved or that a new Application be filed. No fee shall be assessed on any assignment of a related party transaction.

If an assignment is approved, the fees for such assignment will be as follows:

Transfer Fees shall be charged on the following basis and must accompany the Application for the assignment of payment-in-lieu-of-tax incentive benefits:

1% of the tax savings up to \$1,000,000 with a minimum fee of \$4,000.

1/2% of such savings over \$1,000,000 with a maximum fee of \$25,000.

The Applicant shall also be responsible for all attorney fees incurred by the Board in processing the application for transfer of property tax incentive benefits.

**6. Purpose of Fees**

The above quoted fees are for reimbursement of the expenses of the Board, and other economic development programs as approved by the administration of the City of Knoxville. The Applicant is responsible for payment of its counsel fees and other expenses attendant to the Application.

**7. Other**

The Board reserves the right to waive any or all fees to accomplish priorities of the Board.