

## The Development Corporation of Knox County

### GUIDELINES FOR CONSIDERING LAND SALES IN PELLISSIPPI CORPORATE CENTER AND CENTERPOINT BUSINESS PARK

The Development Corporation of Knox County (TDC) is in the business of facilitating economic development. It endeavors to represent the greater, long term interest of Knoxville and Knox County by developing, managing and selling business park properties in such a way as to strategically promote job creation and long term, quality business development in Knox County. It is under these basic premises that the following guidelines will be used for evaluating the sale of property in TDC's Pellissippi Corporate Center and CenterPoint Business Parks. TDC understands that not all circumstances can be anticipated, and that these Guidelines are meant to serve only as a reference and not inflexible rules; and, therefore, TDC reserves the right to make exceptions as it deems appropriate.

For the purposes of these Guidelines, the Great Knoxville Region includes the following counties: Knox, Anderson, Union, Grainger, Jefferson, Sevier, Blount, Loudon and Roane.

#### New Company to the Greater Knoxville Region

1. Unless there are unusual circumstances that would dictate otherwise, **TDC will not sell its business park properties to companies that predominately serve the local market**, and as such, must be physically located within the Greater Knoxville Region. TDC believes that these companies can, and should, be served by the private property market.
2. **Targeted Average (mean) Wage of jobs to be created** = 90% or greater than the average annual wage for Knox County, TN. The average wage for Knox County shall be established as the most recently published average annual wage data for Knox County by the Bureau of Labor Statistics.
3. **Minimum Average (mean) Wage of jobs to be created** = 90% of median annual wage for Knox County, TN. The median wage for Knox County shall be established as the most recently published five-year Median Earnings in Past 12 Months for Full-Time, Year-Round Employed People for Knox County by the U.S. Census Bureau, American Community Survey.
4. **Targeted number of jobs for predominately manufacturing or warehouse/distribution type operations** = 9+ jobs per acre (minus flood plain and steep slope areas – excluding required setbacks).
5. **Minimum number of jobs for predominately manufacturing or warehouse/distribution type operations** = 5 jobs per acre (minus flood plain and steep slope areas – excluding required setbacks).
6. **Targeted number of jobs for predominately office type operations** = 30+ jobs per acre (minus flood plain and steep slope areas – excluding required setbacks).
7. **Minimum number of jobs for predominately office type operations** = 20 jobs per acre (minus flood plain and steep slope areas – excluding required setbacks).
8. **Minimum, annual wage density per acre** = **100%** of the targeted number of jobs per acre sold times the targeted average wage.
9. **Targeted total capital investment** (including land cost) = \$1,250,000+ per acre sold (minus flood plain and slope areas – excluding required setbacks).
10. **Minimum total capital investment** (including land cost) = \$1,000,000 per acre sold (minus flood plain and slope areas – excluding required setbacks).
11. Company must provide full employee benefits, including: health insurance, paid time off and contribution toward employee retirement savings.
12. Project can and will meet the business park's Design Standards and Restrictive Covenants.

## **Relocation of Existing Company Already Within the Greater Knoxville Region**

1. In TDC's judgment, the **company has reasonably demonstrated that private properties within the Greater Knoxville Region cannot meet the company's needs**, and there is strong reason to believe that the company otherwise intends to seek to relocate outside the Region.
2. TDC believes that that the practice of actively recruiting and/or incentivizing companies within the Greater Knoxville Region from one county to another ultimately harms the entire Region and creates an environment of suspicion and mistrust. Thus, **TDC will not engage in the practice of actively recruiting and/or incentivizing companies from other counties within the Region through the sale of TDC business park properties to such companies.** TDC will only sell to existing companies within the Region that are outside of Knox County when a company can reasonably demonstrate there are no acceptable properties within the county where they are currently located, and the company is at serious risk of relocating outside of the Region.
3. Unless there are unusual circumstances that would dictate otherwise, **TDC will not sell its business park properties to companies that predominately serve the local market**, and as such, must be physically located within the Greater Knoxville Regional. TDC believes that these companies can, and should, be served by the private property market.
4. **Targeted Percentage of Net New Jobs** = 60% increase above the existing number of jobs within three to five years from the start of the company's new operations.
5. **Targeted Overall Total Average (mean) Wage of jobs** = 90% or greater than the average annual wage for Knox County, TN. The average wage for Knox County shall be established as the most recently published average annual wage data for Knox County by the Bureau of Labor Statistics.
6. **Minimum Overall Total Average (mean) Wage of jobs** = 90% of median annual wage for Knox County, TN. The median wage for Knox County shall be established as the most recently published five-year Median Earnings in Past 12 Months for Full-Time, Year-Round Employed People for Knox County by the U.S. Census Bureau, American Community Survey.
7. **Targeted total number of jobs for predominately manufacturing or warehouse/distribution type operations** = 9+ jobs per acre (minus flood plain and steep slope areas – excluding required setbacks).
8. **Minimum total number of jobs for predominately manufacturing or warehouse/distribution type operations** = 5 jobs per acre (minus flood plain and steep slope areas – excluding required setbacks).
9. **Targeted total number of jobs for predominately office type operations** = 30+ jobs per acre (minus flood plain and steep slope areas – excluding required setbacks).
10. **Minimum total number of jobs for predominately office type operations** = 20 jobs per acre (minus flood plain and steep slope areas – excluding required setbacks).
11. **Minimum, annual wage density per acre** = **100%** of the targeted number of jobs per acre sold times the targeted average wage.
12. **Targeted total capital investment** (including land cost) = \$1,250,000+ per acre sold (minus flood plain and slope areas – excluding required setbacks).
13. **Minimum total capital investment** (including land cost) = \$1,000,000 per acre sold (minus flood plain and slope areas – excluding required setbacks).
14. Company must provide full employee benefits, including: health insurance, paid time off and contribution toward employee retirement savings.
15. Project can and will meet the business park's Design Standards and Restrictive Covenants.

**Predominately Manufacturing Type Operations  
(Pellissippi Corporate Center & CenterPoint at 100% of Min. Annual Wage Density/Ac.)**

**Knox County numbers**

	<u>Annual</u>	<u>Hourly</u>
Avg. Wage - Knox Co.*	\$49,674	\$23.88
Median Wage **	\$43,390	\$20.86

**Targets**

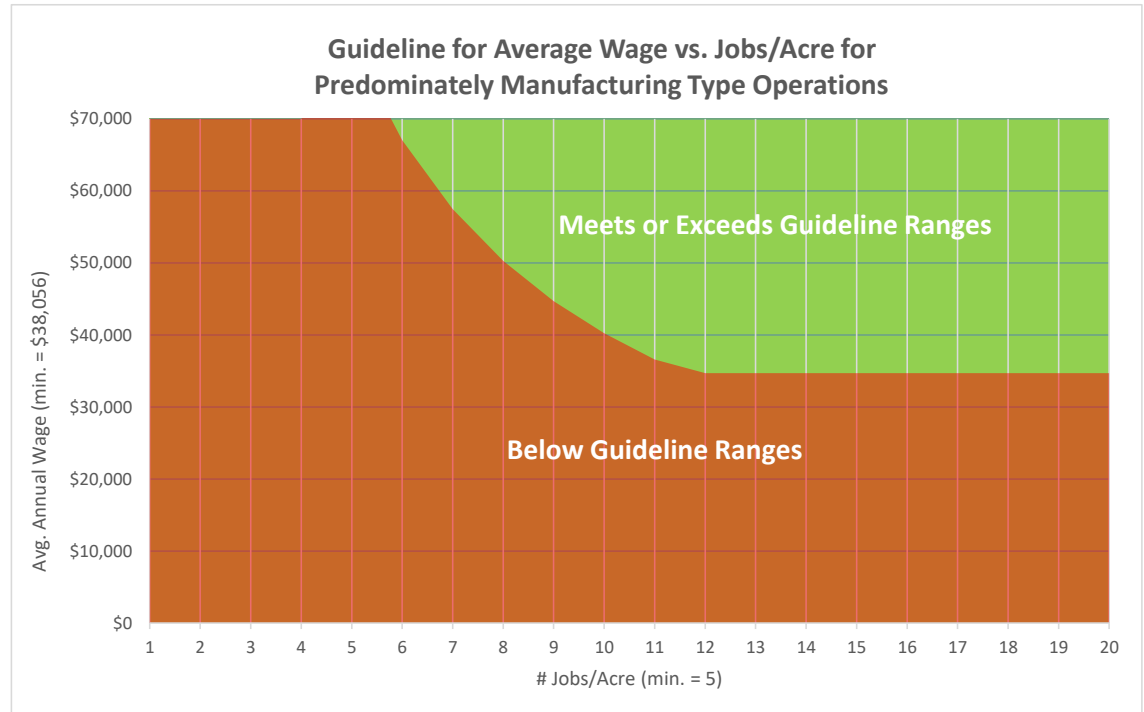
Avg. Wage (90% of Avg.)	\$44,707	\$21.49
Jobs/Ac.	9	

**Minimums**

Min. Avg. Wages (80% of Median)	\$34,712	\$16.69
Jobs/Ac.	5	

**Min. Annual Wage Density/Ac. = \$402,359**  
 100% of (Target Jobs/Ac. X Target Avg. Wage)

Calculation of Acceptable Average (Mean) Wage Based on Job Density per Acre		
Jobs/Ac.	Avg. Wage	Hourly Rate
1		
2		
3		
4		
5	\$80,472	\$38.69
6	\$67,060	\$32.24
7	\$57,480	\$27.63
8	\$50,295	\$24.18
9	\$44,707	\$21.49
10	\$40,236	\$19.34
11	\$36,578	\$17.59
12	\$34,712	\$16.69
13	\$34,712	\$16.69
14	\$34,712	\$16.69
15	\$34,712	\$16.69
16	\$34,712	\$16.69
17	\$34,712	\$16.69
18	\$34,712	\$16.69
19	\$34,712	\$16.69
20	\$34,712	\$16.69



\* Bureau of Labor Statistics - Average Annual Pay for 2018

\*\* Source: U.S. Census Bureau, 2014-2018 American Community Survey - Median Earnings in Past 12 Months for Full-Time, Year-Round Employed People

**Predominately Office and/or Research Type Operations  
(Pellissippi Corporate Center & CenterPoint at 100% of Min. Annual Wage Density/Ac.)**

<b><u>Knox County numbers</u></b>	<b><u>Annual</u></b>	<b><u>Hourly</u></b>
Avg. Wage - Knox Co.*	\$49,674	\$23.88
Median Wage **	\$43,390	\$20.86

<b><u>Targets</u></b>	<b><u>Annual</u></b>	<b><u>Hourly</u></b>
Avg. Wage (90% of Avg.)	\$44,707	\$21.49
Jobs/Ac.	30	

<b><u>Minimums</u></b>		
Min. Avg. Wages (80% of Median)	\$34,712	\$16.69
Jobs/Ac.	20	

**Min. Annual Wage Density/Ac. =**  
**100% of (Target Jobs/Ac. X Target Avg. Wage)     \$1,341,198**

Calculation of Acceptable Average (Mean) Wage Based on Job Density per Acre		
Jobs/Ac.	Avg. Wage	Hourly Rate
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20	\$67,060	\$32.24
21	\$63,867	\$30.71
22	\$60,964	\$29.31
23	\$58,313	\$28.04
24	\$55,883	\$26.87
25	\$53,648	\$25.79
26	\$51,585	\$24.80
27	\$49,674	\$23.88
28	\$47,900	\$23.03
29	\$46,248	\$22.23
30	\$44,707	\$21.49
31	\$43,264	\$20.80
32	\$41,912	\$20.15
33	\$40,642	\$19.54
34	\$39,447	\$18.96
35	\$38,320	\$18.42
36	\$37,256	\$17.91
37	\$36,249	\$17.43
38	\$35,295	\$16.97
39	\$34,712	\$16.69
40	\$34,712	\$16.69



\* Bureau of Labor Statistics - Average Annual Pay for 2018

\*\* Source: U.S. Census Bureau, 2014-2018 American Community Survey - Median Earnings in Past 12 Months for Full-Time, Year-Round Employed People