

REGULAR MEETING
BOARD OF MAYOR AND ALDERMEN
JULY 10, 2012

REFERENCE VIDEO DATED JULY 10, 2012

The Board of Mayor and Aldermen of the City of Fayetteville, Lincoln County, Tennessee, met in open, public session at the regular meeting place of said Board in the Municipal Building of said City at 5:00 p.m. on July 10, 2012. Mayor John Ed Underwood, Jr. was present and presiding. The following named Aldermen were present:

Danny Bryant, Pat Fraley, Marty Pepper, Dorothy Small, Michael Stewart, and Thomas Young, Sr.

Also present was James H. Lee, City Administrator and Johnny D. Hill, Jr., City Attorney.

The prayer was lead by Alderman Pepper and the pledge by Alderman Fraley.

Approval of Minutes:

1. Motion was made by Pat Fraley, seconded by Dorothy Small, to approve the minutes of the Public Hearing held on Tuesday, June 10, 2012. Upon roll call, the following voted:

Aye

Danny Bryant, Thomas Young, Sr., Dorothy Small, Pat Fraley, Michael Stewart, and Marty Pepper

Nay

None

Mayor Underwood declared the Public Hearing Minutes approved.

2. Motion was made by Pat Fraley, seconded by Dorothy Small, to approve the minutes of the June 2012 Meeting. Upon roll call, the following voted:

Aye

Thomas Young, Sr., Dorothy Small, Pat Fraley, Marty Pepper, Michael Stewart, and Danny Bryant

Nay

None

Mayor Underwood declared the June Minutes approved.

Reports:

Fire Report:

Fire Chief Danny Travis reported that the Fire Department had 59 calls for service with 33 medical calls, and 4 motor accidents with injuries. For the month of June, there was 1 structure fire and 1 vehicle fire for a combine estimated property damage of Sixteen Thousand, Four Hundred Fifty Dollars (\$16,450.00), as well as 5 brush fires (not contributed by fireworks).

Police Report:

Police Chief Doug Carver reported that there were 148 incidents with 74 arrests, 42 crashes and 52 citations for a total of 1,632 events.

Recreation Report:

Brenda Sharp, Recreation Clerk, reported the Recreation Board is talking with two (2) companies about design and cost of building a new swimming pool. Ms. Sharp stated all youth ball leagues have completed their respective seasons.

Public Works:

Eddie Plunkett, Public Works Director, reported that 219 tons of residential trash was picked up, along with 210 tons of yard waste for the month of June. Mr. Plunkett stated that two (2) new employees had been hired for the Street Department: Lee Counts and Chris Bailey.

Planning and Zoning Report:

Ryan Tyhuis, City Planner, reported that for the month of June there were twelve (12) building permits issued for approximately Two Hundred Twenty-Three Thousand, Four Hundred Fifty Dollars (\$223,450.00) in work to be done, with the fees being One Thousand, Seven Hundred Forty-Two Dollars (\$1,742.00). Mr. Tyhuis stated that thirty-six (36) notices of violations were issued, with thirty-five (35) complied, two (2) granted extensions, one (1) summoned to court and one (1) property was cleaned by Public Works with an invoice being set to the owner for the work that was done.

Administrator's Report:

Mr. Lee reported that the Recreation Board has decided to change the day and time of the Christmas Parade to the 1st Saturday in December at 5:00 p.m. Mr. Lee explained that the insurance change from United Health Care to Blue Cross Blue Shield has been a smooth transition. Mr. Lee stated that Wells Hill park sold at auction and that Charles Gleghorn was the winning bidder.

Interlocal Agreement with Friends, the Library, the Bank and the City:

Motion was made by Danny Bryant, seconded by Michael Stewart, to approve the Interlocal Agreement between the Friends of the Library, the Fayetteville/Lincoln County Public Library, the Bank of Lincoln County and the City of Fayetteville. Upon roll call, the following voted:

Aye

Dorothy Small, Michael Stewart, Marty Pepper, Danny Bryant, and Thomas Young, Sr.

Nay

Pat Fraley

Mayor Underwood declared the motion approved.

Senior Citizen Deed:

Motion was made by Danny Bryant, seconded by Tom Young, to postpone this matter until the next regularly scheduled Board Meeting. Upon roll call, the following voted:

Aye

Pat Fraley, Michael Stewart, Marty Pepper, Danny Bryant, Thomas Young, Sr., and Dorothy Small

Nay
None

Mayor Underwood declared the motion approved.

Fayetteville-Lincoln Co. Airport Authority Additional Funding For The Runway Resurfacing Project:

Motion was made by Dorothy Small, seconded by Marty Pepper, to approve the Fayetteville-Lincoln County Airport Authority request for an additional Four Thousand, Nine Hundred Dollars (\$4,900.00) for the runway resurface project, this amount will be added to the already request of Sixty-Seven Thousand Dollars (\$67,000.00). Upon roll call, the following voted:

Aye
Michael Stewart, Marty Pepper, Danny Bryant, Thomas Young, Sr., Dorothy Small, and Pat Fraley

Nay
None

Mayor Underwood declared the motion approved.

Acceptance of Railroad Land donated by Dick Farrar:

Motion was made by Dorothy Small, seconded by Michael Stewart, to approve the spending of “up to” One Thousand Dollars (\$1,000.00) for the surveying of two (2) properties to be given to the City by the owner Dick Farrar; one track located between Green Street and Oak Street, the second track located from Algeria Street down to Franklin Street. Upon roll call, the following voted:

Aye
Marty Pepper, Danny Bryant, Thomas Young, Sr., Dorothy Small, Pat Fraley, and Michael Stewart

Nay
None

Mayor Underwood declared the motion approved.

Land Appraisal of the Police, Fire, and EMA Properties:

Motion was made by Michael Stewart, seconded by Marty Pepper, to approve the spending of “up to” Four Hundred Dollars (\$400.00) to appraise the land where the Police, Fire and EMA building are located on West Market Street. Upon roll call, the following voted:

Aye
Danny Bryant, Thomas Young, Sr., Dorothy Small, Pat Fraley, Michael Stewart, and Marty Pepper

Nay
None

Mayor Underwood declared the motion approved.

Resolution R-12-05:

Resolution R-12-05, a resolution entitled, "A Resolution To Apply For Funding For The Relocation Of Utilities At Frito-Lay, Inc., Through The Fast Track Infrastructure Development Program", was considered. Said Resolution is as follows:

**CITY OF FAYETTEVILLE
RESOLUTION R-12-05**

**A RESOLUTION TO APPLY FOR FUNDING FOR THE RELOCATION
OF UTILITIES AT FRITO LAY, INC., THROUGH THE FAST TRACK
INFRASTRUCTURE DEVELOPMENT PROGRAM**

WHEREAS, the Industrial Development Board of Fayetteville-Lincoln County, Tennessee is eligible for funds under the State of Tennessee Fast Track Infrastructure Development Program; and

WHEREAS, there exists a need to relocate utilities to accommodate Frito Lay's expansion; and


WHEREAS, the Industrial Development Board of Fayetteville-Lincoln County wishes to make an application of \$750,000.00 for said project; and

WHEREAS, the City of Fayetteville, Tennessee has agreed to split the local matching contribution of \$311,987.36 on behalf of the Frito Lay Expansion Project.

NOW, THEREFORE, BE IT RESOLVED, THAT

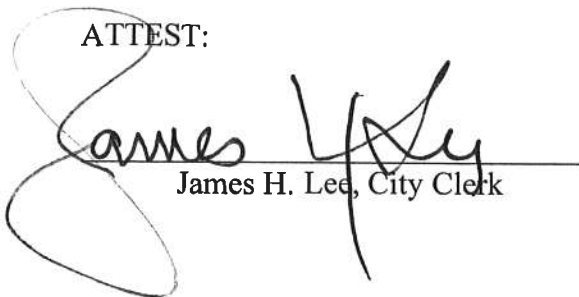
1. This proposed Frito Lay Expansion will result in a \$70 Million investment.
2. The local matching contribution will be split between the City of Fayetteville and Lincoln County in the amount of \$311,987.36.
3. The City of Fayetteville, Tennessee supports the Industrial Development Board of Fayetteville-Lincoln County's application for a grant of \$750,000.00 from the Tennessee Department of Economic and Community Development.

Passed and so ordered this 10 day of July, 2012.



John Ed Underwood, Jr., Mayor

ATTEST:



James H. Lee, City Clerk

Motion was made by Danny Bryant, seconded by Dorothy Small, to approve Resolution R-12-05.

Motion was made by Danny Bryant, seconded by Dorothy Small, to amend the main motion by adding that the local share contribution for this project to be paid as follow: One Hundred Ten Thousand Dollars (\$110,000.00) to be paid from the Industrial Fund and Forty-Six Thousand Dollars (\$46,000.00) to be paid from the Reserves, if needed. Upon roll call, the following voted:

Aye

Thomas Young, Sr., Dorothy Small, Pat Fraley, Michael Stewart, Marty Pepper, and Danny Bryant

Nay

None

Mayor Underwood declared the amendment approved.

Upon roll call, the following voted on the main motion:

Aye

Dorothy Small, Pat Fraley, Michael Stewart, Marty Pepper, Danny Bryant, and Thomas Young, Sr.

Nay

None

Mayor Underwood declared the resolution adopted.

Resolution R-12-06:

Resolution R-12-06, a resolution entitled, "A Resolution Authorizing Payment In Lieu Of Taxes With Frito-Lay Inc.", was considered. Said Resolution is as follows:

**CITY OF FAYETTEVILLE
RESOLUTION R-12-06**

**A RESOLUTION AUTHORIZING PAYMENT IN LIEU OF TAX WITH FRITO
LAY, INC.**

WHEREAS, pursuant to Tennessee Code Annotated Sec. 7-53-305, The Industrial Development Board of Lincoln County and City of Fayetteville ("IDB") is performing a public function on behalf of the City of Fayetteville, Tennessee, with respect to which the IDB is organized and is a public instrumentality of the City of Fayetteville; and accordingly the IDB and all properties at any time owned by it, and the income and revenues from the properties, are exempt from taxation in the State of Tennessee; and

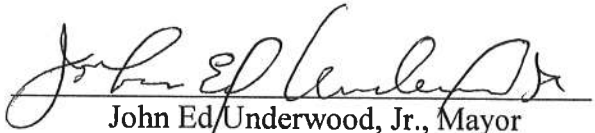
WHEREAS, such payments in lieu of taxes are in furtherance of the corporation's public purposes as defined this section; and

WHEREAS, the IDB is required under this section to submit any such payment in lieu of tax agreement to the Board of Mayor and Alderman of Fayetteville, Tennessee, for its approval; and

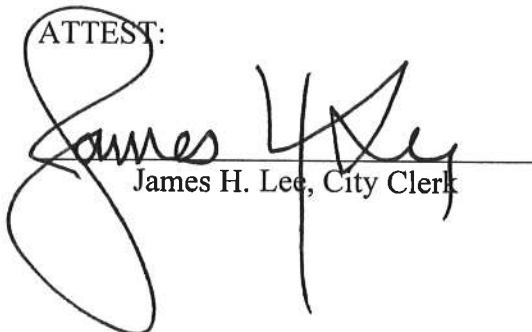
WHEREAS, Frito Lay, Inc. ("Frito-Lay") has agreed to considerable land improvements and capital expenditures in Fayetteville-Lincoln County, at its facility located at 101 Industrial Boulevard provided that it can make payments in lieu of ad valorem taxes.

NOW, THEREFORE, RESOLVED by the Board of Mayor and Alderman that payments in lieu of taxes substantially in accordance with the outline provisions as set out in Exhibit A hereto be approved subject to the approval and execution by the IDB and Frito Lay of a formal Payments in Lieu of Taxes Agreement and such other necessary agreements all with terms acceptable to the City of Fayetteville; and any required approval of the same by the Tennessee Comptroller of the Treasury or other state agency.

Passed and so ordered this 10 day of July, 2012.


John Ed Underwood, Jr., Mayor

ATTEST:


James H. Lee, City Clerk

Total Inveso 60,000,000

Building & I 28,000,000
(Real Property)

Equipment 32,000,000
(Personal Property)

Real Property (40% Assessment) \$ 348,466

Equipment (30% Assessment) \$ 298,685

Total Initial Annual Tax \$ 647,151

Fayetteville - Lincoln County
Project Flowers
Payment In Lieu of Tax Agreement (P.L.O.T.)

Lincoln County
City of Fayetteville
Total \$ 1,7918
\$ 1,3195
\$ 3,1113

End of Year	Pilot Savings%	Real Property Tax	Real Property Tax Savings	Real Property Tax Paid	Personal Property Tax	Personal Property Tax Savings	Personal Property Tax Paid	Total Tax	Total Tax Paid	Total Tax Savings for Company
1	100%	\$ 348,466	\$ 348,466	\$ -	\$ 262,843.0	\$ 262,843.0	\$ -	\$ 611,309	\$ -	\$ 611,309.0
2	100%	\$ 348,466	\$ 348,466	\$ -	\$ 224,014.0	\$ 224,014.0	\$ -	\$ 572,480	\$ -	\$ 572,480.0
3	100%	\$ 348,466	\$ 348,466	\$ -	\$ 188,171.0	\$ 188,171.0	\$ -	\$ 536,637	\$ -	\$ 536,637.0
4	94%	\$ 348,466	\$ 327,988	\$ 20,478	\$ 149,342.0	\$ 100,147.0	\$ 49,195	\$ 497,808	\$ 29,283	\$ 468,525.0
5	89%	\$ 348,466	\$ 307,470	\$ 40,996	\$ 113,500.0	\$ 61,494.0	\$ 52,006	\$ 461,966	\$ 54,349	\$ 407,617.0
6	82%	\$ 348,466	\$ 286,972	\$ 61,494	\$ 74,671.0	\$ 61,494.0	\$ 13,177	\$ 423,137	\$ 74,571	\$ 348,566.0
7	76%	\$ 348,466	\$ 266,474	\$ 81,992	\$ 59,737.0	\$ 45,681.0	\$ 14,056	\$ 408,203	\$ 96,048	\$ 312,155.0
8	71%	\$ 348,466	\$ 245,976	\$ 102,490	\$ 59,737.0	\$ 42,167.0	\$ 17,570	\$ 408,203	\$ 120,060	\$ 288,143.0
9	65%	\$ 348,466	\$ 225,478	\$ 122,988	\$ 59,737.0	\$ 38,653.0	\$ 21,084	\$ 408,203	\$ 144,072	\$ 264,131.0
10	59%	\$ 348,466	\$ 204,980	\$ 143,486	\$ 59,737.0	\$ 35,139.0	\$ 24,598	\$ 408,203	\$ 168,084	\$ 240,119.0
11	53%	\$ 348,466	\$ 194,482	\$ 163,984	\$ 59,737.0	\$ 31,625.0	\$ 28,112	\$ 408,203	\$ 192,096	\$ 216,107.0
12	47%	\$ 348,466	\$ 184,984	\$ 184,482	\$ 59,737.0	\$ 28,112.0	\$ 31,625	\$ 408,203	\$ 216,107	\$ 192,096.0
13	41%	\$ 348,466	\$ 174,486	\$ 204,980	\$ 59,737.0	\$ 24,598.0	\$ 35,139	\$ 408,203	\$ 240,119	\$ 168,084.0
14	35%	\$ 348,466	\$ 163,988	\$ 225,478	\$ 59,737.0	\$ 21,084.0	\$ 38,653	\$ 408,203	\$ 264,131	\$ 144,072.0
15	29%	\$ 348,466	\$ 153,490	\$ 245,976	\$ 59,737.0	\$ 17,570.0	\$ 42,167	\$ 408,203	\$ 288,143	\$ 120,060.0
16	24%	\$ 348,466	\$ 142,992	\$ 266,474	\$ 59,737.0	\$ 14,056.0	\$ 45,681	\$ 408,203	\$ 312,155	\$ 96,048.0
17	18%	\$ 348,466	\$ 132,494	\$ 286,972	\$ 59,737.0	\$ 10,542.0	\$ 49,195	\$ 408,203	\$ 336,167	\$ 72,036.0
18	12%	\$ 348,466	\$ 121,996	\$ 307,470	\$ 59,737.0	\$ 7,028.0	\$ 52,709	\$ 408,203	\$ 360,179	\$ 48,024.0
19	6%	\$ 348,466	\$ 111,498	\$ 327,968	\$ 59,737.0	\$ 3,514.0	\$ 56,223	\$ 408,203	\$ 384,191	\$ 24,012.0
20	0%	\$ 348,466	\$ -	\$ 348,466	\$ 59,737.0	\$ -	\$ 59,737	\$ 408,203	\$ 408,203	\$ -
	Total	\$ 6,969,320	\$ 3,833,126	\$ 3,136,194	\$ 1,848,859	\$ 1,296,595	\$ 551,864	\$ 8,818,179	\$ 3,688,058	\$ 5,130,121.0

Local Incentives - PILOT Savings \$ 5,130,121.0

Assumption 1) Personal Property investment is all in manufacturing machinery, which is depreciated over 7 years with a bottom value of 20% of the original basis. All equipment included in this agreement belongs in Group 1 and Group 5 for classification purposes.

Assumption 2) All real property and personal property will be sold to the Industrial Board and leased back to company for a token amount. At the conclusion of the pilot, the Industrial Board will transfer the property back to the project.

"Exhibit A"

Motion was made by Michael Stewart, seconded by Dorothy Small, to adopt Resolution R-12-06. Upon roll call, the following voted:

Aye

Pat Fraley, Michael Stewart, Marty Pepper, Danny Bryant, Thomas Young, Sr., and Dorothy Small

Nay

None

Mayor Underwood declared the resolution adopted.

State Industrial Access (SIA) Program Contract (Frito-Lay, Inc., Road) – Mayor to Sign Contract:

Motion was made by Dorothy Small, seconded by Michael Stewart, to give the Mayor authority to sign the State Industrial Access Program contract with the Tennessee Department of Transportation (TDOT) for the Frito-Lay, Inc., road work. Upon roll call, the following voted:

Aye

Michael Stewart, Marty Pepper, Danny Bryant, Thomas Young, Sr., Dorothy Small, and Pat Fraley

Nay

None

Mayor Underwood declared the motion approved.

Industrial Development Board Spec Building – Interest Only Payments For Two (2) Years:

Motion was made by Danny Bryant, seconded by Marty Pepper, to fund two (2) years of interest payments totaling no more than Forty-Five Thousand, Six Hundred Forty-Eight Dollars (\$45,648.00) per year from the City Reserve Funds on the proposed spec building to be built on the Posey Industrial property and that if the City of Fayetteville is requested to make any further interest and/or principal payments on that spec building after the two (2) years of interest payments have been made and were the City to agree to do so then the funding of those payments would be made from the annual allotment the City funds to the Industrial Development Board (IDB), and that those payments only fund one half the required interest and /or principal payments not to exceed Eighty-Nine Thousand Dollars (\$89,000.00) per year. Upon roll call, the following voted:

Aye

Marty Pepper, Danny Bryant, Thomas Young, Sr., Dorothy Small, Pat Fraley, and Michael Stewart

Nay

None

Mayor Underwood declared the motion approved.

Motion was made, seconded, and unanimously adopted to adjourn.

Mayor

Clerk