



The Industrial Development Board of the City of Knoxville

Payment-in-Lieu-of-Tax Transaction

Fee Schedule

1. **Agenda Fee**

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 Fee**

The Application form must be completed and submitted with an Application Fee in the amount of \$2,500.

3. **Closing Fee**

Closing Fees for payment-in-lieu-of-tax transactions are based on the projected total tax savings. A Closing Fee equal to 1.5% of the anticipated tax savings, as calculated by the City IDB, will be paid to the Board prior to, or at, the closing of the Lease, subject to the following limitations:

- The minimum Closing Fee shall be no less than \$10,000
- The maximum Closing Fee shall be no greater than \$35,000

The Applicant receiving the property tax incentive will also be responsible for paying any additional expenses related to the transaction including, but not limited to, the following: fees of Board counsel; title attorney fees; title insurance premiums; fees incurred relating to third-party evaluations including third-party consultant fees, KCDC facilitator fees, and fees of KCDC counsel; copies; postage; and long-distance telephone calls.

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 credit the Application Fee toward the Closing Fee in the event Lessee shall execute a Lease within the time frame approved by the Board as specified in the IDB Resolution executed upon approval of the project by the IDB (or soon thereafter based upon reasonable conditions for the project related to the securing of financing, obtaining historic tax credits and similar project requirements).

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. **Annual Fee**

(a) Annual Rent in an amount no less than \$100 shall be due and payable each year during the term of the Lease and shall be submitted to the IDB with the annual PILOT payment.

(b) An Annual Maintenance Fee of \$500 on capital projects of up to \$2,000,000 in total project costs and \$1,000 on capital projects over \$2,000,000 in total project costs shall be due and payable

each year during the term of the Lease and shall be submitted to the IDB with the annual PILOT payment.

5. Lease Amendment

An Amendment Fee of \$1,000 shall be due for any lease amendments requiring approval by the IDB.

6. Assignment of Payment-in-Lieu-of-Tax Benefits/Transfer Fee

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, 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:

- 1/2% of estimated total tax savings remaining under the lease term as determined by the IDB, with a minimum fee of \$ 3,000 and a maximum fee of \$20,000

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.

7. Purpose of Fees

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