

SPECIAL MEETING OF THE CITY COUNCIL

THURSDAY, JUNE 26, 2014, 4:00 P.M.

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BE IT REMEMBERED that a Special Meeting of the City Council of Jackson, Mississippi, was convened in the Council Chambers in City Hall at 4:00 p.m. on June 26, 2014, being the fourth Thursday of said month, when and where the following things were had and done to wit:

Present: Council Members: Charles H. Tillman, President, Ward 5; Melvin Priester, Jr., Vice President, Ward 2; Quentin Whitwell, Ward 1; De'Keither Stamps, Ward 4; and Margaret Barrett-Simon, Ward 7. Directors: Gus McCoy, Chief Administrative Officer; Kristi Moore, Assistant City Clerk; Angela Harris, Deputy City Clerk; and Monica Joiner, City Attorney.

Absent: Council Members: LaRita Cooper-Stokes, Ward 3.

The meeting was called to order by **President Charles Tillman**.

ORDER APPROVING CLAIMS NUMBER 11534 TO 11833, APPEARING AT PAGES 1803 TO 1850 INCLUSIVE THEREON, ON MUNICIPAL "DOCKET OF CLAIMS", IN THE AMOUNT OF \$2,908,705.62 AND MAKING APPROPRIATIONS FOR THE PAYMENT THEREOF.

IT IS HEREBY ORDERED that claims numbered 11534 to 11833 appearing at pages 1803 to 1850, inclusive thereon, in the Municipal "Docket of Claims", in the aggregate amount of \$2,908,705.62 are hereby approved for payment and said amount is expressly appropriated for the immediate payment thereof.

IT IS FURTHER ORDERED that there is appropriated from the various funds the sums necessary to be transferred to other funds for the purpose of paying the claims as follows:

FROM:	TO ACCOUNTS PAYABLE FUND
09 AMERICAN RECVRY & REINVES ACT	900.00
2011 ED BYRNE MEMORIAL JUSTICE	309.54
2012 ED BYRNE MEMORIAL JUSTICE	2,891.41
2012 G.O. NOTE-CAPITAL PROJECT	99.22
AMERICORP CAPITAL CITY REBUILD	1,567.23
CAPITAL CITY REVENUE FUND	6.95
CAPITOL STREET 2-WAY PROJECT	1,861.25
EARLY CHILDHOOD (DAYCARE)	1,295.04
GENERAL FUND	471,604.69
HAIL DAMAGE MARCH 2013	18,924.90
HOME PROGRAM FUND	23,862.83
HOUSING COMM DEV ACT (CDBG) FD	741.98
JXN CONVENTION & VISITORS BUR	293,751.86
LANDFILL/SANITATION FUND	20,442.56
P E G ACCESS- PROGRAMMING FUND	293.20
PARKS & RECR. FUND	71,400.78
STATE TORT CLAIMS FUND	1,498.24
TECHNOLOGY FUND	18,320.37
THALIA MARA HALL RENOVATION	583,756.32
TITLE III AGING PROGRAMS	10.32
TRANSPORTATION FUND	501,939.49
WATER/SEWER CAPITAL IMPR FUND	240,702.64
WATER/SEWER CONST FD 1999-\$35M	3,521.00
WATER/SEWER OP & MAINT FUND	632,638.80
WATER/SEWER REVENUE FUND	16,365.00

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TOTAL \$2,908,705.62

Council Member Barrett-Simon moved adoption; **Council Member Whitwell** seconded.

President Tillman recognized **Lee Unger**, the City's Director of Administration, who provided the Council with a brief overview of the Claims Docket at the request of **Council Member Whitwell**.

Thereafter, **President Tillman** called for a final vote:

Yeas- Barrett-Simon, Stamps, Tillman and Whitwell.
Nays- Priester.
Absent- Cooper-Stokes.

ORDER APPROVING GROSS PAYROLL INCLUDING PAYROLL DEDUCTION CLAIMS NUMBERED 11534 TO 11833 AND MAKING APPROPRIATION FOR THE PAYMENT THEREOF.

IT IS HEREBY ORDERED that payroll deduction claims numbered 11534 to 11833 inclusive therein, in the Municipal "Docket of Claims", in the aggregate amount of \$3,944.76 plus payroll, are approved for payment and necessary amounts are appropriated from various municipal funds for transfer to the payroll fund for the immediate payment thereof.

IT IS FINALLY ORDERED that the following expenditures from the accounts payable fund be made in order to pay amounts transferred thereto from the payroll fund for payment of the payroll deduction claims authorized herein for payment:

FROM:	TO ACCOUNTS PAYABLE FUND	TO PAYROLL FUND
GENERAL FUND		72,050.68
PARKS & RECR.		35,591.66
LANDFILL FUND		4,871.61
SENIOR AIDES		11,793.97
WATER/SEWER OPER. & MAINT		27,588.21
PAYROLL	3,944.76	
EARLY CHILDHOOD		2,558.28
TITLE III AGING PROGAMS		2,117.57

TOTAL **\$156,571.98**

Council Member Barrett-Simon moved adoption; **Council Member Whitwell** seconded.

Yeas- Barrett-Simon, Priester, Stamps, Tillman and Whitwell.
Nays- None.
Absent- Cooper-Stokes.

RESOLUTION DECLARING THE INTENTION OF THE CITY OF JACKSON MISSISSIPPI, TO GRANT CERTAIN AD VALOREM TAX EXEMPTIONS TO CHEROKEE BRICK AND TILE FOR A TAX EXEMPTION FOR A PERIOD NOT TO EXCEED FIVE YEARS.

WHEREAS, the City Council of Jackson, Mississippi (the "Council"), acting for and on behalf of the City of Jackson, Mississippi (the "City"), does hereby find and determine as follows:

1) That **CHEROKEE BRICK AND TILE**, (“the Applicant”) is a Georgia corporation that desires to expand its private brick manufacturing company by purchasing Tri-State Brick and remodels the facility located at 2050 Forest Avenue (“Project Site”) in the City. Applicant will create 20-50 new employees, and Applicant is duly authorized to do business in the State of Mississippi; and

2) That the Applicant has committed to representatives of the City the Applicant’s intention to make a new investment of no less than \$5 million (new investment includes costs associated with the project’s building, equipment, site work, construction and architectural fees) to reconstruct and expand their new facility at the Project Site. Applicant will create 20-50 jobs with a combined minimum annual payroll of approximately \$1.5 million and that such total jobs and associated payroll shall be maintained at the facility in the City for a period coextensive with the incentives hereby granted; and

3) That as an inducement to the Applicant to create employment and investment in the City; the City’s Department of Economic Development, as the economic development agency for the City, has negotiated and hereby recommends certain tax incentives in the form of certain exemptions (the “Exemptions”) from ad valorem real and personal property taxes (the “Taxes”) on Applicant’s investments in real and personal property (the “Improvements”) at the Project Site with such inducements (the “Inducements”), commitments (the “Commitments”) and clawback provisions (the “Clawbacks”) being summarized herein and attached hereto (Exhibits “A, B & C”) and subject to formal approval of the Council; and

4) For all purposes related to clawbacks, the capital investment requirement refers to an expenditure of \$5 million (new investment includes costs associated with the project’s building, equipment, site work, construction and architectural fees) that will be invested in real and personal projects at the Project. All expenditures for capital investments made up to and for 1 year after commercial operation of the facility may be counted towards the capital investment requirement, which is deemed satisfied once a total investment of \$5 million is met; and

5) For all purposes related to clawbacks, the total capital investment is an ongoing requirement that must be maintained for a ten (10) year period; and

6) In the event Applicant does not meet said commitments, the following Clawback provisions shall apply:

If at any time during the ten (10) year abatement period Applicant discontinues operations at the facility, tax abatements shall cease. No property taxes for the year in which the deficiency occurred nor property taxes for any subsequent years, if applicable, shall be abated and all taxes for the year in which the deficiency occurred, as well as all subsequent years, shall be payable when due. Additionally, all property taxes abated in the two years immediately preceding the year in which the deficiency occurred shall be clawed back. All amounts clawed back shall be remitted to the City of Jackson and will be payable within ninety (90) days of request for payment from the City; and

7) That the Inducements offered to the Applicant will play a major role in applicant’s decision to expand to the City; and

8) That the Council is authorized and empowered by the provisions of Title 27 Chapter 31, Section 101 inter alia thereof (the “Statutes”), of the Mississippi Code of 1972 as amended (the “Code”), to grant certain Exemptions from Taxes to the Applicant with respect to New Enterprise which will be located within the City; and

9) That the City wishes to proactively provide its intent that the City will, upon timely filing of a complete and proper application and proof of qualifications being filed thereof with the City by the Applicant, grant such Exemptions.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of Jackson, Mississippi, acting for and on behalf of the City and by virtue of such authority as may now or hereafter be conferred upon it by the Statutes and by any other applicable laws of the State of Mississippi (the "Laws"), in consideration of the above premises and in order to provide certain Inducements to the Applicant, this Council does hereby declare its intention and agreement as follows and as more specifically hereinafter described, subject to such additional qualifications, as are imposed hereinafter and upon the timely filing by the Applicant with the Council of both proper and complete application and proof of qualification with all requirements of the Statutes and Laws thereof and the certification by the Applicant of the information required thereunder:

SECTION 1: Under a single application by the Applicant for the entire project upon its completion of the Improvements; and

SECTION 2: The Council recognizes and acknowledges that certain of the Exemptions are effective only from the date of grant by the Council or the date of completion, therefore, to grant the Exemptions at the earliest possible date such Exemptions may lawfully be granted.

SECTION 3: The initial term of the Exemptions will be for five (5) years with a right to extend for another consecutive 5 year term for a maximum of ten (10) years on Improvements at the Project Site.

SECTION 4: As a further inducement, a Free Port Warehouse license will be offered to the Applicant following receipt of a single application and associated fee from the Applicant and ordered by the Council at the earliest possible date such license can be granted.

SECTION 5: Realizing the value of the incentives offered by City, when hiring employees, the Applicant will give preference to City of Jackson residents and utilize City of Jackson minority vendors, suppliers, subcontractors, and professionals as follows:

- a. Applicant shall not discriminate on the basis of race, color, sex, religion, or national or ethnic origin in its hiring of contractors to carry out any portion of the Project. The Applicant shall prohibit its contractors from engaging in such discrimination in the hiring of subcontractors to carry out any portion of the Project.
- b. Applicant agrees to support the City's procurement opportunities for contractors, subcontractors, suppliers, vendors and professionals who are minority business enterprises (MBE).

SECTION 6: The Applicants will be entitled to apply for, and the Council agrees to grant an extension of an additional five (5) years upon the timely and proper filing of an application for said extension which furnishes proof of compliance with item 2 and Section 4 of this resolution and meeting all other commitments stated herein and/or attached hereto.

SECTION 7: The Applicant will not receive exemption of certain taxes (the "Abatable Millage") being summarized and attached hereto; on existing property at the Project Site nor any existing property in the City that may be relocated to the Project Site, existing abatements that may be in effect excepted.

SECTION 8: The Applicant will not receive exemption of certain Taxes (the "Non-Abatable Millage") being summarized and attached hereto; and Applicant agrees to pay any and all additional increases in Non-Abatable Millage that may be levied by order of the Council in subsequent years.

SECTION 9: Acknowledging that it is the intention of the Council to implement this Resolution of Intent consistent with and in order to give full effect to this stated intention of the Council upon the filing by the Applicant of their application for the Exemptions and the consideration by the Council.

EXHIBIT "A"
CHEROKEE BRICK AND TILE
SUMMARY OF AD VALOREM INDUCEMENTS, EXPANSION OF FACILITY
LOCATED AT 2050 FOREST AVENUE
CITY OF JACKSON, MISSISSIPPI

City of Jackson Millage Rates			
Funds	Millage Rates	Abatable Mills	Non Abatable Mills
General	49.77	37.83	11.94
Jackson-Hinds Library	1.49		1.49
Bond & Interest Fund	5.30		5.30
Firemen & Policemen Disability & Relief Fund	5.00		5.00
Parks & Recreation Fund	2.00		2.00
Totals	63.56	37.83	25.73

Applicant understands and is in agreement with the following ad valorem inducements summation:

The City Council of the City of Jackson (the "City") will exempt 37.83 mills of the general fund millage (the "Abatable Millage") for a maximum period of five years (5) on new investments of real and personal property (the "Improvements") made at the Site located on the corner of North State and Carlisle Streets, Jackson, Mississippi, (the "Project Site") by **CHEROKEE BRICK AND TILE**, (the "Applicant").

Applicant understands and agrees that the Non-Abatable Millage for Improvements at the Project Site is not eligible for exemption.

The term of the exemption of the Abatable Millage will be for five (5) years on Improvements at the Project Site.

The Applicant agrees to submit proof of compliance with Item (2) and annual reports furnishing proof of compliance with Section 4 of the **RESOLUTION DECLARING THE INTENTION OF THE CITY COUNCIL OF THE CITY OF JACKSON, MISSISSIPPI, TO GRANT CERTAIN AD VALOREM TAX EXEMPTIONS TO CHEROKEE BRICK AND TILE FOR A MAXIMUM PERIOD OF FIVE (5) YEARS** and furnishing proof of compliance with commitments contained in **CHEROKEE BRICK AND TILE, SUMMARY OF COMMITMENTS, EXPANSION OF FACILITY LOCATED AT 2050 FOREST AVENUE, CITY OF JACKSON, MISSISSIPPI** for the term of the abatement, including the form attached hereto as "Attachment 1", updated at least annually, of the minority businesses

from which goods and services were procured, and the nature and dollar amount of goods or services.

Applicant understands and agrees that the **City of Jackson Millage Rates** table contained herein contains millage rates for the 2013-2014 fiscal year, is subject to change by order of the Council in subsequent fiscal years and is for illustrative purposes only. In the event of a change in the total general fund millage in a subsequent fiscal year, the amount of the Abatable Millage shall then be equal to the new general fund millage for such fiscal year less 37.83 mills.

Applicant understands and agrees that the Abatable Millage is subject to change over the five (5) year term and the Applicant will be exempted from the Abatable Millage, whether lesser or greater than current rate or rate at time of application subject to compliance with Item (2) and Section 4 of the **RESOLUTION DECLARING THE INTENTION OF THE CITY COUNCIL OF THE CITY OF JACKSON, MISSISSIPPI, TO GRANT CERTAIN AD VALOREM TAX EXEMPTIONS TO CHEROKEE BRICK AND TILE FOR A MAXIMUM PERIOD OF FIVE (5) YEARS** and furnishing proof of compliance with commitments contained in **CHEROKEE BRICK AND TILE, SUMMARY OF COMMITMENTS, EXPANSION OF FACILITY LAOCATED AT 2050 FOREST AVENUE, CITY OF JACKSON, MISSISSIPPI**, including the form attached hereto as "Attachment 1", updated at least annually, of the minority businesses from which goods and services were procured, and the nature and dollar amount of goods or services.

Applicant understands and agrees that the Non-Abatable Millage is subject to change over the five (5) year term but that the non-abatable portion of the general fund millage in the Non-Abatable Millage shall be a constant 37.83 mills. Applicant will not be exempted from the Non-Abatable Millage, whether lesser or greater than current rate or rate at time of application and Applicant agrees to pay any and all additional increases thereof.

Mike Peavy

Title

Cherokee Brick and Tile

EXHIBIT "B"
CHEROKEE BRICK AND TILE
SUMMARY OF COMMITEMENTS
EXPANSION OF FACILITY LOCATED AT
2050 FOREST AVENUE
CITY OF JACKSON, MISSISSIPPI

CHEROKEE BRICK AND TILE, (the "Applicant") understands and agrees that the following commitments constitute the minimum commitments necessary for abatement of 37.83 mills of the City of Jackson's, (the "City") general fund millage (the "Abatable Millage") on new investments (the "Improvements") at the facility located on the corner of North State and Carlisle Streets, Jackson, Mississippi, (the "Project Site").

Applicant understands and agrees that all millage rates other than the Abatable Millage (the "non-abatable Millage") for the Improvements at the Project Site are not eligible for abatement.

1. **CHEROKEE BRICK AND TILE** commits to the investment of not less than \$5 million in the expansion of the Project Site, including site work, building expansion costs, furniture, fixtures and equipment.

In consideration of Item 1 above, the City understands and agrees that said item constitutes the minimum commitment necessary for abatement of the City's Abatable Millage on Improvements at the Project Site and agrees to grant tax exemptions outlined in 2 (a) below.

2. **City of Jackson** commits to the following:

- a) Exemption of Abatable Millage (all existing real and personal property in the City excluded) on Improvements at the Project Site for five (5) years subject to Applicant furnishing proof of compliance with Item (2) and Section 4 of the RESOLUTION DECLARING THE INTENSION OF THE CITY COUNCIL OF THE CITY OF JACKSON, MISSISSIPPI, TO GRANT CERTAIN AD VALOREM TAX EXEMPTIONS TO CHEROKEE BRICK AND TILE and fulfilling of minimum commitments contained herein by Applicant during the term of the abatement.

- b) The initial Abatable Millage of 37.83 mills is based on the total general fund millage rate of 49.77 mills for the 2013-2014 fiscal year, which is subject to change by order of the Council in subsequent fiscal years and is for illustrative purposes only. In the event of a change in the total general fund millage in a subsequent fiscal year, the amount of the Abatable millage shall then be equal to the new general fund millage for such fiscal year less 37.83 mills.

Mike Peavy

Honorable Tony Yarber, Mayor

Title

Cherokee Brick and Tile

**EXHIBIT "C"
CHEROKEE BRICK AND TILE
SUMMARY OF CLAWBACK PROVISIONS
EXPANSION OF FACILITY LOCATED AT
2050 FOREST AVENUE
CITY OF JACKSON, MISSISSIPPI**

Applicant understands and agrees that the city of Jackson's offer of tax abatement is based on the economic impact that the Applicants' project will have on the local economy, that the economic impact of the project has been calculated using job, payroll and capital investment numbers supplied by the applicant and that the capital investment must be made and total jobs (new plus existing) and associated payroll must be maintained in the city of Jackson, Mississippi during the term of the tax abatement.

For all purposes related to clawbacks, the capital investment requirement refers to an aggregate initial expenditure of \$5 million (composed of costs associated with the project's building, equipment, site work, construction and architectural fees). All expenditures for capital investments made up to and for 1 year after commercial operation of the expansion may be counted towards the capital investment requirement, which is deemed satisfied once a total investment of \$5 million is met.

In the event Applicant does not meet said capital investment commitment, the following Clawback provision shall apply:

If at any time during the five (5) year abatement period or any extension thereof, Applicant discontinues operations at the facility, tax abatements shall cease. No property taxes for the year in which the deficiency occurred nor property taxes for any subsequent years, if applicable, shall be abated and all taxes for the year in which the deficiency occurred, as well as all subsequent years, shall be payable when due. Additionally, all property taxes abated in the two years immediately preceding the year in which the deficiency occurred shall be clawed back. All amounts clawed back shall be remitted to the City of Jackson and will be payable within ninety (90) days of request for payment from the City or the Hinds County Tax Collector on the City's behalf.

Mike Peavy

Cherokee Brick and Tile

Council Member Barrett-Simon moved adoption; Council Member Whitwell seconded.

President Tillman recognized **Jason Goree**, Interim Director of Economic Development, who introduced **Pate Rowell**, a representative of Cherokee Brick and Tile and **Duane O'Neil**, President/CEO of Greater Jackson Partnership, who informed Council Members regarding plans to open a brick and tile company within the City of Jackson.

President Tillman recognized **Council Member Priester** who moved to amend the resolution related to the address stated in Exhibit "A" as North State and Carlisle Streets to 2050 Forest Avenue; **Council Member Whitwell** seconded the motion to amend the address. The motion prevailed by the following vote:

Yeas- Barrett-Simon, Priester, Stamps, Tillman and Whitwell.

Nays- None.

Absent- Cooper-Stokes.

Thereafter, **Council Member Priester** moved and **Council Member Stamps** seconded to accept the following amendment to the Resolution:

RESOLUTION DECLARING THE INTENTION OF THE CITY OF JACKSON MISSISSIPPI, TO GRANT CERTAIN AD VALOREM TAX EXEMPTIONS TO CHEROKEE BRICK AND TILE FOR A TAX EXEMPTION FOR A PERIOD NOT TO EXCEED FIVE YEARS.

WHEREAS, the City Council of Jackson, Mississippi (the "Council"), acting for and on behalf of the City of Jackson, Mississippi (the "City"), does hereby find and determine as follows:

1) That **CHEROKEE BRICK AND TILE**, ("the Applicant") is a Georgia corporation that desires to expand its private brick manufacturing company by purchasing Tri-State Brick and remodels the facility located at 2050 Forest Avenue ("Project Site") in the City. Applicant will create 20-50 new employees, and Applicant is duly authorized to do business in the State of Mississippi; and

2) That the Applicant has committed to representatives of the City the Applicant's intention to make a new investment of no less than \$5 million (new investment includes costs associated with the project's building, equipment, site work, construction and architectural fees) to reconstruct and expand their new facility at the Project Site. Applicant will create 20-50 jobs with a combined minimum annual payroll of approximately \$1.5 million and that such total jobs and associated payroll shall be maintained at the facility in the City for a period coextensive with the incentives hereby granted; and

3) That as an inducement to the Applicant to create employment and investment in the City; the City's Department of Economic Development, as the economic development agency for the City, has negotiated and hereby recommends certain tax incentives in the form of certain exemptions (the "Exemptions") from ad valorem real and personal property taxes (the "Taxes") on Applicant's investments in real and personal property (the "Improvements") at the Project Site with such inducements (the "Inducements"), commitments (the "Commitments") and clawback provisions (the "Clawbacks") being summarized herein and attached hereto (Exhibits "A, B & C") and subject to formal approval of the Council; and

4) For all purposes related to clawbacks, the capital investment requirement refers to an expenditure of \$5 million (new investment includes costs associated with the project's building, equipment, site work, construction and architectural fees) that will be invested in real and personal projects at the Project. All expenditures for capital investments made up to and for 1 year after commercial operation of the facility may be counted towards the capital investment requirement, which is deemed satisfied once a total investment of \$5 million is met; and

5) For all purposes related to clawbacks, the total capital investment is an ongoing requirement that must be maintained for a ten (10) year period; and

6) In the event Applicant does not meet said commitments, the following Clawback provisions shall apply:

If at any time during the ten (10) year abatement period Applicant discontinues operations at the facility, tax abatements shall cease. No property taxes for the year in which the deficiency occurred nor property taxes for any subsequent years, if applicable, shall be abated and all taxes for the year in which the deficiency occurred, as well as all subsequent years, shall be payable when due. Additionally, all property taxes abated in the two years immediately preceding the year in which the deficiency occurred shall be clawed back. All amounts clawed back shall be remitted to the City of Jackson and will be payable within ninety (90) days of request for payment from the City; and

7) That the Inducements offered to the Applicant will play a major role in applicant's decision to expand to the City; and

8) That the Council is authorized and empowered by the provisions of Title 27 Chapter 31, Section 101 inter alia thereof (the "Statutes"), of the Mississippi Code of 1972 as amended (the "Code"), to grant certain Exemptions from Taxes to the Applicant with respect to New Enterprise which will be located within the City; and

9) That the City wishes to proactively provide its intent that the City will, upon timely filing of a complete and proper application and proof of qualifications being filed thereof with the City by the Applicant, grant such Exemptions.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of Jackson, Mississippi, acting for and on behalf of the City and by virtue of such authority as may now or hereafter be conferred upon it by the Statutes and by any other applicable laws of the State of Mississippi (the "Laws"), in consideration of the above premises and in order to provide certain Inducements to the Applicant, this Council does hereby declare its intention and agreement as follows and as more specifically hereinafter described, subject to such additional qualifications, as are imposed hereinafter and upon the timely filing by the Applicant with the Council of both proper and complete application and proof of qualification with all requirements of the Statutes and Laws thereof and the certification by the Applicant of the information required thereunder:

SECTION 1: Under a single application by the Applicant for the entire project upon its completion of the Improvements; and

SECTION 2: The Council recognizes and acknowledges that certain of the Exemptions are effective only from the date of grant by the Council or the date of completion, therefore, to grant the Exemptions at the earliest possible date such Exemptions may lawfully be granted.

SECTION 3: The initial term of the Exemptions will be for five (5) years with a right to extend for another consecutive 5-year term for a maximum of ten (10) years on Improvements at the Project Site.

SECTION 4: As a further inducement, a Free Port Warehouse license will be offered to the Applicant following receipt of a single application and associated fee from the Applicant and ordered by the Council at the earliest possible date such license can be granted.

SECTION 5: Realizing the value of the incentives offered by City, when hiring employees, the Applicant will give preference to City of Jackson residents and utilize City of Jackson minority vendors, suppliers, subcontractors, and professionals as follows:

- a. Applicant shall not discriminate on the basis of race, color, sex, religion, or national or ethnic origin in its hiring of contractors to carry out any portion of the Project. The Applicant shall prohibit its contractors from engaging in such discrimination in the hiring of subcontractors to carry out any portion of the Project.

b. Applicant agrees to support the City’s procurement opportunities for contractors, subcontractors, suppliers, vendors and professionals who are minority business enterprises (MBE).

SECTION 6: The Applicants will be entitled to apply for, and the Council agrees to grant an extension of an additional five (5) years upon the timely and proper filing of an application for said extension which furnishes proof of compliance with item 2 and Section 4 of this resolution and meeting all other commitments stated herein and/or attached hereto.

SECTION 7: The Applicant will not receive exemption of certain taxes (the “Abatable Millage”) being summarized and attached hereto; on existing property at the Project Site nor any existing property in the City that may be relocated to the Project Site, existing abatements that may be in effect excepted.

SECTION 8: The Applicant will not receive exemption of certain Taxes (the “Non-Abatable Millage”) being summarized and attached hereto; and Applicant agrees to pay any and all additional increases in Non-Abatable Millage that may be levied by order of the Council in subsequent years.

SECTION 9: Acknowledging that it is the intention of the Council to implement this Resolution of Intent consistent with and in order to give full effect to this stated intention of the Council upon the filing by the Applicant of their application for the Exemptions and the consideration by the Council.

**EXHIBIT “A”
CHEROKEE BRICK AND TILE
SUMMARY OF AD VALOREM INDUCEMENTS, EXPANSION OF FACILITY
LOCATED AT 2050 FOREST AVENUE
CITY OF JACKSON, MISSISSIPPI**

City of Jackson Millage Rates			
Funds	Millage Rates	Abatable Mills	Non Abatable Mills
General	49.77	37.83	11.94
Jackson-Hinds Library	1.49		1.49
Bond & Interest Fund	5.30		5.30
Firemen & Policemen Disability & Relief Fund	5.00		5.00
Parks & Recreation Fund	2.00		2.00
Totals	63.56	37.83	25.73

Applicant understands and is in agreement with the following ad valorem inducements summation:

The City Council of the City of Jackson (the "City") will exempt 37.83 mills of the general fund millage (the "Abatable Millage") for a maximum period of five years (5) on new investments of real and personal property (the "Improvements") made at the Site located at 2050 Forest Avenue, Jackson, Mississippi, (the "Project Site") by **CHEROKEE BRICK AND TILE**, (the "Applicant").

Applicant understands and agrees that the Non-Abatable Millage for Improvements at the Project Site is not eligible for exemption.

The term of the exemption of the Abatable Millage will be for five (5) years on Improvements at the Project Site.

The Applicant agrees to submit proof of compliance with Item (2) and annual reports furnishing proof of compliance with Section 4 of the **RESOLUTION DECLARING THE INTENTION OF THE CITY COUNCIL OF THE CITY OF JACKSON, MISSISSIPPI, TO GRANT CERTAIN AD VALOREM TAX EXEMPTIONS TO CHEROKEE BRICK AND TILE FOR A MAXIMUM PERIOD OF FIVE (5) YEARS** and furnishing proof of compliance with commitments contained in **CHEROKEE BRICK AND TILE, SUMMARY OF COMMITMENTS, EXPANSION OF FACILITY LOCATED AT 2050 FOREST AVENUE, CITY OF JACKSON, MISSISSIPPI** for the term of the abatement, including the form attached hereto as "Attachment 1", updated at least annually, of the minority businesses from which goods and services were procured, and the nature and dollar amount of goods or services.

Applicant understands and agrees that the **City of Jackson Millage Rates** table contained herein contains millage rates for the 2013-2014 fiscal year, is subject to change by order of the Council in subsequent fiscal years and is for illustrative purposes only. In the event of a change in the total general fund millage in a subsequent fiscal year, the amount of the Abatable Millage shall then be equal to the new general fund millage for such fiscal year less 37.83 mills.

Applicant understands and agrees that the Abatable Millage is subject to change over the five (5) year term and the Applicant will be exempted from the Abatable Millage, whether lesser or greater than current rate or rate at time of application subject to compliance with Item (2) and Section 4 of the **RESOLUTION DECLARING THE INTENTION OF THE CITY COUNCIL OF THE CITY OF JACKSON, MISSISSIPPI, TO GRANT CERTAIN AD VALOREM TAX EXEMPTIONS TO CHEROKEE BRICK AND TILE FOR A MAXIMUM PERIOD OF FIVE (5) YEARS** and furnishing proof of compliance with commitments contained in **CHEROKEE BRICK AND TILE, SUMMARY OF COMMITMENTS, EXPANSION OF FACILITY LAOCATED AT 2050 FOREST AVENUE, CITY OF JACKSON, MISSISSIPPI**, including the form attached hereto as "Attachment 1", updated at least annually, of the minority businesses from which goods and services were procured, and the nature and dollar amount of goods or services.

Applicant understands and agrees that the Non-Abatable Millage is subject to change over the five (5) year term but that the non-abatable portion of the general fund millage in the Non-Abatable Millage shall be a constant 37.83 mills. Applicant will not be exempted from the Non-Abatable Millage, whether lesser or greater than current rate or rate at time of application and Applicant agrees to pay any and all additional increases thereof.

Mike Peavy

Cherokee Brick and Tile

Title

EXHIBIT "B"
CHEROKEE BRICK AND TILE
SUMMARY OF COMMITMENTS
EXPANSION OF FACILITY LOCATED AT
2050 FOREST AVENUE
CITY OF JACKSON, MISSISSIPPI

CHEROKEE BRICK AND TILE, (the "Applicant") understands and agrees that the following commitments constitute the minimum commitments necessary for abatement of 37.83 mills of the City of Jackson's, (the "City") general fund millage (the "Abatable Millage") on new investments (the "Improvements") at the facility located on the corner of North State and Carlisle Streets, Jackson, Mississippi, (the "Project Site").

Applicant understands and agrees that all millage rates other than the Abatable Millage (the "non-abatable Millage") for the Improvements at the Project Site are not eligible for abatement.

1. **CHEROKEE BRICK AND TILE** commits to the investment of not less than \$5 million in the expansion of the Project Site, including site work, building expansion costs, furniture, fixtures and equipment.

In consideration of Item 1 above, the City understands and agrees that said item constitutes the minimum commitment necessary for abatement of the City's Abatable Millage on Improvements at the Project Site and agrees to grant tax exemptions outlined in 2 (a) below.

2. **City of Jackson** commits to the following:
 - a) Exemption of Abatable Millage (all existing real and personal property in the City excluded) on Improvements at the Project Site for five (5) years subject to Applicant furnishing proof of compliance with Item (2) and Section 4 of the **RESOLUTION DECLARING THE INTENSION OF THE CITY COUNCIL OF THE CITY OF JACKSON, MISSISSIPPI, TO GRANT CERTAIN AD VALOREM TAX EXEMPTIONS TO CHEROKEE BRICK AND TILE** and fulfilling of minimum commitments contained herein by Applicant during the term of the abatement.
 - b) The initial Abatable Millage of 37.83 mills is based on the total general fund millage rate of 49.77 mills for the 2013-2014 fiscal year, which is subject to change by order of the Council in subsequent fiscal years and is for illustrative purposes only. In the event of a change in the total general fund millage in a subsequent fiscal year, the amount of the Abatable millage shall then be equal to the new general fund millage for such fiscal year less 37.83 mills.

Mike Peavy

Cherokee Brick and Tile

Title

Honorable Tony Yarber, Mayor

EXHIBIT "C"
CHEROKEE BRICK AND TILE
SUMMARY OF CLAWBACK PROVISIONS
EXPANSION OF FACILITY LOCATED AT
2050 FOREST AVENUE
CITY OF JACKSON, MISSISSIPPI

Applicant understands and agrees that the city of Jackson's offer of tax abatement is based on the economic impact that the Applicants' project will have on the local economy, that the economic impact of the project has been calculated using job, payroll and capital investment numbers supplied by the applicant and that the capital investment must be made and total jobs (new plus existing) and associated payroll must be maintained in the city of Jackson, Mississippi during the term of the tax abatement.

**SPECIAL MEETING OF THE CITY COUNCIL
THURSDAY, JUNE 26, 2014, 4:00 P.M.**

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For all purposes related to clawbacks, the capital investment requirement refers to an aggregate initial expenditure of \$5 million (composed of costs associated with the project's building, equipment, site work, construction and architectural fees). All expenditures for capital investments made up to and for 1 year after commercial operation of the expansion may be counted towards the capital investment requirement, which is deemed satisfied once a total investment of \$5 million is met.

In the event Applicant does not meet said capital investment commitment, the following Clawback provision shall apply:

If at any time during the five (5) year abatement period or any extension thereof, Applicant discontinues operations at the facility, tax abatements shall cease. No property taxes for the year in which the deficiency occurred nor property taxes for any subsequent years, if applicable, shall be abated and all taxes for the year in which the deficiency occurred, as well as all subsequent years, shall be payable when due. Additionally, all property taxes abated in the two years immediately preceding the year in which the deficiency occurred shall be clawed back. All amounts clawed back shall be remitted to the City of Jackson and will be payable within ninety (90) days of request for payment from the City or the Hinds County Tax Collector on the City's behalf.

Mike Peavy

Cherokee Brick and Tile

Thereafter, **President Tillman** called for a final vote on resolution as amendment.

Council Member Barrett-Simon moved adoption; **Council Member Whitwell** seconded.

Yeas- Barrett-Simon, Priester, Stamps, Tillman and Whitwell.
Nays- None.
Absent- Cooper-Stokes.

The following announcements/reports were provided during the meeting:

- **Beverly Wallace**, Ward 6 Election Commissioner, provided Council Members with an update on the official results of the June 17, 2014 Ward 6 Special Election.


There being no further business to come before the City Council, it was unanimously voted to adjourn until the next Regular Council Meeting to be held at 10:00 a.m. on Tuesday, July 1, 2014; and at 5:00 p.m., the Council stood adjourned.

ATTEST:



INTERIM CITY CLERK

APPROVED:


_____, 7.11.14
MAYOR DATE
