

CHEROKEE COUNTY DEVELOPMENT AUTHORITY

EXISTING INDUSTRY INCENTIVE PROGRAM

The Cherokee County Development Authority, in coordination with Cherokee County government, provide a tax incentive program for qualified industries located in Cherokee County. The purpose of this program is to encourage and support local expansion and investment.

Qualification Criteria

To qualify, an industry must meet the following criteria:

- ◆ Has operated in Cherokee County for at least three years (at least 36 months from issuance of business license)
- ◆ Invests a minimum of \$150,000 in a qualifying activity within the year
 - ◆ Categories include: manufacturing, office, warehouse, regional commercial development, or research and development facility.

*Qualifying activities include:

- ◆ Acquiring new or reconditioned equipment,
and/or
- ◆ Constructing, expanding or improving existing facilities.

**Purchase of an Existing Building and/or Land does not constitute a qualifying activity for the program*

Incentive

The tax incentive applies only to the value of new or reconditioned equipment and/or facility capital improvements acquired during the calendar year. The tax benefit is awarded based on the following schedule. Normal tax rates apply after the abatement period and special assessments continue to be payable during the abatement period. If the participant fails to make any payment shown or any special assessment assigned, penalties or interest will be assessed in accordance with applicable Georgia laws relating to late tax payments. Should the industry cease operation in Cherokee County or not meet capital investment and job creation commitments as represented by the company in the application, the abatement is terminated.

Table 1 - Tax Incentive Schedule

Amount of Investment	Tax Payable Year 1	Tax Payable Year 2	Tax Payable Year 3	Tax Payable Year 4	Tax Payable Year 5	Tax Payable Year 6
\$150,000 to 500,000	25%	50%	75%	100%	100%	100%
\$500,001 to 1,250,000	20%	40%	60%	80%	100%	100%
\$1,250,000 and above	15%	30%	45%	60%	75%	100%

Existing Industry Incentive Program

Legal Requirements

Participants in the program are required to enter into a standard agreement to document the abatement and to comply with state laws relating to such. As state law stipulates that only property titled to a public entity can have taxes abated, title to the property must be held in the Authority's name during the abatement period. The equipment or facilities are re-transferred to the participant at the end of the abatement period or sooner if the participant requests. Should the participant desire to have title returned before the end of the abatement period, the abatement must terminate. The participant will also enter into a Payment In Lieu of Taxes (PILOT) agreement with the County to make above scheduled pro-rated payments in lieu of taxes during the abatement period in the amounts set forth in Table 1.

Fees

An application fee of \$100 is due at the time of submission of program application.

Successful applicants will be required to pay a transaction fee for processing and filing required legal documents. This fee is paid to the law firm selected by the Authority to process the filing. The fee for applicants: (\$150,000 - \$500,000) is \$1000, (\$500,001 - \$1,250,000) fee is \$1,800, (\$1,250,001 - \$5,000,000) fee is \$5,000, (\$5,000,001 - \$10,000,000) fee is \$7,500, (\$10,000,001 and above) the fee is \$10,000.

Please note: These transaction fees assume that participants will use standard legal documents. If it is necessary to modify those documents or additional work is involved (i.e. coordinate acceptance with lender), further expenses may be incurred at the attorney's hourly rate.

There is a onetime bond financing fee in the amount of 1/8 of 1 % (.00125) of the capital investment total.

Approval

Whether an applicant meets the requirements of the program and whether the applicant is otherwise an appropriate participant in the program is determined solely by the Cherokee County Development Authority and its staff, neither of which have any legal liability for rejecting any application. The Authority also maintains the sole right to approve or not approve the inclusion of specific equipment or facilities in the program.

Existing Industry Incentive Program Application

Please answer the following questions to assist the Authority and its staff in determining whether you are eligible to participate in the Authority's Existing Industry Incentive Program.

Name of applicant company (the "Company") _____

Location and telephone number of Company's operations in Cherokee County (the "Cherokee Facility"):

Classification of Facility (circle one): manufacturing, office, warehouse, regional commercial development, or research and development facility.

Industry Sector:

Map & Parcel Number of the Cherokee Facility:

Location and telephone number of the Company's corporate headquarters, if different:

Location and telephone number of the representative of the Company to be contacted in connection with this application:

Briefly describe the operation carried on at the Cherokee Facility:

How long has the Company conducted operations at the Cherokee Facility (or elsewhere in Cherokee County)? _____

What is the approximate number of employees at the Cherokee Facility? _____

Briefly describe the investment proposed to be made at the Cherokee Facility:

Approximate amount of the proposed investment: \$ _____

Please attach evidence of the investment if it has already been made.

Of the proposed investment*, how much will be building construction, improvements/expansion to the existing facility, and how much will be equipment?

Building Construction, Improvements/Expansion: \$ _____

New or Reconditioned Equipment: \$ _____

* Qualifying activities include: acquiring new or reconditioned equipment and/or constructing, expanding or improving existing facilities. Purchase of an Existing Building and/or Land does not constitute a qualifying activity for the program.

Will the proposed investment add jobs at the Cherokee Facility, please state the approximate number:

Will the proposed investment preserve jobs at the Cherokee Facility, please state the approximate number:

Please describe any other favorable impact the Cherokee Facility will have on Cherokee County: _____

Does (or will) any other party hold a lien on or security interest in the proposed investment?

If so, please describe: _____

*I have read and understand the Existing Industry Incentive Program Description and am aware of the fees associated with the program.

Printed Name: _____

*Signature: _____

Title: _____

Date: _____

Telephone Number: _____

Email: _____