

McMinnville Downtown Payment-in-Lieu-of-Tax (PILOT) Program Packet

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Program Administered by:

**McMinnville Downtown
Revenue Finance
Corporation**

P. O. Box 373 McMinnville, TN 37111

(931) 506-5335

Revised on February 22, 2007

McMinnville Downtown Revenue Finance Corporation, Inc.
(931) 506-5335

SECTION I

McMinnville Downtown PILOT Program POLICIES AND PROCEDURES **Administered By: McMinnville Downtown Revenue Finance Corporation**

Introduction

Main Street McMinnville, in conjunction with the City of McMinnville, Warren County, and numerous federal, state, local and private partners is currently in the midst of an extensive revitalization and economic development program in downtown McMinnville. In order to further enhance and promote the redevelopment of the downtown area of our community, the McMinnville Downtown Revenue Finance Corporation was created. Its mission is to manage the application and distribution of development incentives for the geographic area defined in Exhibit "A" hereinafter referred to as the District.

The PILOT (Payment-In-Lieu-Of-Taxes) Program is one such financial incentive that is designed to encourage commercial real estate development in and around Downtown McMinnville by "freezing" property taxes at the predevelopment level for a predetermined period of time. This incentive is designed to make the cost of building improvements or a new building more affordable for property owners by freezing real estate taxes at their predevelopment level for a predetermined period, if improvements are made to a property that equal or exceed 60% of its Total Market Appraisal (land and improvements) as specified in the most current Value Information found in the State of Tennessee Comptroller of the Treasury Real Estate Assessment Data. Once the investment is made in building construction or building improvements, property taxes will not increase for the period of the tax freeze. Additionally, the McMinnville Downtown Revenue Finance Corporation has prioritized uses for the district and set incentive levels commensurate with those uses. The highest priority is mixed use which combines ground floor retail (as defined in Appendix A) and upper-story residential uses within the same project.

Purpose Statement

As provided by in the Tennessee Code Annotated, Chapter 7-53-102, the McMinnville Downtown Revenue Finance Corporation ("MDRFC") is authorized to finance, acquire, own, lease, and/or dispose of properties in order to maintain and increase employment opportunities, and to increase the quantity of housing available in affected municipalities by promoting industry, trade, commerce, tourism and recreation, agriculture and housing construction, by inducing manufacturing, industrial, governmental, educational, financial, service, commercial, recreational and agricultural enterprises to locate in or remain in this municipality.

Definitions

The following are definitions used in this program unless the context otherwise requires:

11. New Construction - Construction of a new building or facility where a building is not existent. A physically separate(d) structure that did not exist prior to the PILOT application.

2. Utilities
 - a. Services such as electricity, water, sewer, natural gas, telephone, or the like, from the utility supplier to the building.
 - b. Services as outlined above within the building.

3. Office - A place in which business, clerical, or professional activities are conducted or a service is supplied other than wholesale or retail sales.

4. Single Use - A facility that is used for a single category of occupancy (E.g. Retail Sales or Residential).

5. Mixed Use -
 - a. A facility that is used for multiple occupancy classifications, or

6. Street Frontage
 - 1a. The portion of a building that faces and is directly adjacent to a street or sidewalk and that is associated with the building's 911 assigned physical address (E.g., 212 West Main Street).
 - 2b. Street frontage is measured horizontally in a straight line along the building or property line at the street or sidewalk level.

7. Storefront
 - a. A building facade that is primarily made up of display windows and entry doors for a retail sales or office occupancy.

8. Traditional Storefront
 - 1a. A storefront that is in keeping with the character of the majority of other storefronts in the PILOT program area.
 - 2b. A storefront that is similar in character to a historically significant storefront that previously existed on the building or on a closely related nearby building.

9. Hard Cost - The cost of construction (e.g. carpentry, masonry, site work, electrical and mechanical trades, and the materials used by these construction trades.)

10. Soft Cost - The cost of planning and construction related expenses other than hard costs. (e.g. Architectural and engineering services, financing and closing costs, etc.)

11. Vacant
 - a. A vacant building is defined as unoccupied, unattended, and is not actively used as a place of residence or business, or
 - b. Is frequently open or unsecured so that unauthorized admittance may be gained without damaging any portion of the property, or
 - c. Not put to revenue producing use,
12. Remodeling - Redecorating such as painting, providing new wall or floor coverings, or other activities which may include some repairs or minor floor plan rearrangement.
13. Renovation - Substantial remodeling and improvements (i.e. significant changes to the structure, walls, ceilings, floors or other building components)
14. Complete Renovation
 - 1a. Complete or major remodeling (i.e. substantial changes to the structure, walls, ceiling or other major building components).
 - 2b. Complete Renovation exceeds the work of providing new wall finishes, painting, and minor repairs or rearrangement.
15. New Use
 - 2a. A building usage that is radically different from what may have previously existed.
16. Residential
 - 1a. used as a residence or by residents.
 - 2b. restricted to or occupied by residences
17. Retail
 - 1a. Sales of goods in small amounts directly to the consumer not intended for resale.
 - 2b. Shops or stores designed to attract consumers for Retail Sales.
 - 3c. Allowable retail uses and non-allowable retail uses are listed in Appendix A.

18. PILOT
 - 1a. An acronym for Payment-In-Lieu-of-Taxes.
 - 2b. A project that is authorized under the PILOT program.
19. Board of Directors or Board - The Board of Directors of the McMinnville Downtown Revenue Finance Corporation, Inc. (MDRFC).
20. Mixed Construction – The mix of building renovations and an addition in a single project.
21. Building Permit – A permit issued by a governmental agency or utility company that requires a review of building codes to be compliant. Building permits may include, but not be limited to electrical, plumbing, HVAC, fire, structural, etc.
22. Addition – An extension or increase in floor area or height of a building or structure.

Program Boundaries

The PILOT Program is offered for redevelopment projects within the McMinnville downtown area and is defined by Exhibit “A”.

Eligibility Requirements

1. To qualify for a PILOT lease, improvements must be made to the building and/or the building and site combination that equal or exceed 60% of the Total Market Appraisal (land and improvements) as specified in the most current Value Information found in the State of Tennessee Comptroller of the Treasury Real Estate Assessment Data. Improvements shall include new building construction or a combination of interior and exterior renovation. When part of new building construction or major building improvements, site improvements (landscaping, fencing, sidewalks, parking lots or garages), roof repairs or replacements, and utilities upgrades may be included. This is not an all-inclusive list, but illustrates the range of improvements that are eligible for a PILOT. All PILOT projects are defined as complete properties and cannot be subdivided by floor or part for PILOT lease purposes.
2. An applicant must own the property or have an option or other right to purchase the property in order to be eligible to apply for a PILOT lease.
3. The following projects are NOT eligible for a PILOT lease:
 - a. Any project that was completed prior to approval of a PILOT program lease by the MDRFC Board of Directors is not eligible for a PILOT lease.
 - b. Any project that is under construction with a building permit issued is not eligible for a PILOT lease, excluding stabilization, site preparation, or utility work.

- c. Industrial projects are not eligible for a PILOT lease under the MDRFC. (Please inquire with the Warren County Industrial Development Board.)
 - d. Single use single family residential housing and multi family housing are not eligible for a PILOT lease, except any multifamily housing facilities to be occupied by persons of low or moderate income, elderly, or handicapped persons as may be determined by the MDRFC Board of Directors, which determination shall be conclusive.
 - e. Warehouse and storage facilities.
4. Projects that may be approved by the MDRFC Board of Directors, which determinations shall be conclusive, as eligible for a PILOT may be one or more of the following:
- a. Where part of a mixed use project and not single use residential, single family residential housing and multifamily housing to be occupied by persons of low or moderate income, elderly, or handicapped persons. [Reference TCA 7-53-101 (11)(A)(x).]
 - b. In a municipality in which there has been created a central business improvement district pursuant to chapter 84 of this title “project” also means any hotels, motels or where part of a mixed use project, apartment buildings when the Board of Directors determines that the acquisition and leasing or sale of such buildings, as the case may be, will develop trade and commerce in and adjacent to the municipality, will contribute to the general welfare and will alleviate conditions of unemployment and that the construction of an apartment building will increase the quantity of housing availability in the municipality. [Reference TCA 7-53-101 (11)(B) (i).
 - c. The Board of Directors of the Corporation shall find, with respect to any office building or any hotel, motel or apartment building financed under the provisions of this chapter that the acquisition and leasing or sale of such building, or the financing of the building by loan agreement, as the case may be, will develop trade and commerce in and adjacent to the municipality, will contribute to the general welfare and will alleviate conditions of unemployment, and with regard to any apartment building that the construction of an apartment building will increase the quality of housing available in the municipality and such finding by the board of directors shall be conclusive. [Reference TCA 7-53-101 (11)(C)]

1. The maximum allowable PILOT Lease term for a Renovation Project shall not exceed fifteen (15) years. The maximum allowable PILOT Lease Term for a New Construction Project shall not exceed ten (10) years.
2. Non-Retail Use Renovation: Five (5) Year PILOT Lease
 - a. The renovation of an existing single use building, vacant or occupied, maintaining a single use or maintaining the existing non-retail use. (Refer to building vacancy policy for additional limitations.)
 - b. The building shall not be a single use residential project only.
3. Ground Floor Retail Use Renovation: Ten (10) Year PILOT Lease
 - 0a. Ground Floor Retail Use eligible for a ten (10) year PILOT Lease is:
 - i. The complete renovation of an existing ground floor space for retail use where retail usage did not previously exist.
 - ii. The complete renovation of an existing ground floor retail space that retains a retail use.
 - iii. If a ground floor space is larger than 3,000 square feet, at least 50% of that ground floor space and at least 50% of ground floor street frontage in the building must be designated as retail use.
 - b. "Retail Use" is listed in Appendix A.
4. New Construction
 - a. All buildings that are new construction must total 2,000 square feet or greater to qualify for a PILOT Lease.
 - b. New construction may be any commercial use but may not be exclusively single use residential.
 - c. Single Use Project
 - i. New Construction for office use only - five (5) Year PILOT Lease.
 - ii. New Construction for retail use only - ten (10) year PILOT Lease.
 - (1) A ground floor retail space must have horizontal street frontage including traditional storefront door(s) and display window(s).
 - (2) "Retail Use" is listed in Appendix A.
 - d. Mixed Use Project
 - i. A Mixed Use is defined as two (2) or more of the following uses: Office, Residential or Retail.
 - ii. A Mixed Use project containing retail and office space must have a minimum of twenty five (25%) percent of the horizontal linear ground floor street frontage on the primary

street containing a traditional storefront of display windows and entry door. See Appendix A for a list of Retail Uses.

5. Upper Floor Residential Use: Five (5) Year PILOT Lease extension
 - a. Where a renovation project includes upper floor residential use space, the PILOT lease term indicated above will be extended for an additional five (5) year PILOT Lease. The combined term shall not exceed the fifteen (15) year PILOT Lease maximum.
 - b. Projects qualifying for this additional period may be:
 - i. The renovation of an existing upper-story space for a residential use where a residential use did not previously exist, or
 - ii. The renovation of existing upper-story residential space that retains the original residential use.
 - iii. The new construction of an upper –story residential use
 - c. Buildings with 3,000 square feet or less of upper floor space must have the upper floor space designated completely for residential use to qualify for this PILOT Lease extension. If an upper floor space is larger than 3,000 square feet, at least 50% of that building’s upper floor space must be for residential use.

6. Mixed Construction Project: A mixed construction project is defined as the mix of building renovation and an addition in a single project. The maximum allowable PILOT Lease term for a mixed construction project shall not exceed fifteen (15) years. NOTE: The construction of a new stand-alone building project adjacent to an existing structure shall require a separate PILOT application

Design Review Process

1. In order to protect and enhance the historic significance and physical characteristics of the City of McMinnville, the MDRFC has adopted the City of McMinnville Historic District Design Guidelines and all projects submitted for PILOT approval must comply with the requirements of the City of McMinnville Historic District Design Guidelines.
2. PILOT projects inside the City of McMinnville Historic District must be reviewed by the McMinnville Historic Zoning Commission (MHZC) and must receive a Certificate of Appropriateness (COA) or a letter from the MHZC stating the project does not require a COA before a PILOT application will be reviewed by the MDRFC Board of Directors. If the project scope changes during construction that would necessitate a COA, the applicant must seek approval for such changes prior to closing the PILOT lease.
3. PILOT projects outside of the City of McMinnville Historic District must be reviewed and approved by the MDRFC Board of Directors. The project must comply with the City of McMinnville Historic District Design Guidelines. If the project scope changes during construction the applicant must seek approval for such changes from the MDRFC Board of Directors prior to closing the PILOT lease.
4. All projects must obtain a building and/or electrical permit and be in compliance with current building codes of the City of McMinnville to be approved for and to close a PILOT Lease.

Additional Policies and Procedures

1. For PILOT leases: Payments In Lieu of Taxes, with respect to City of McMinnville real estate taxes, shall be based on predevelopment Total Market Appraisal (land and improvements) as specified in the most current Value Information found in the State of Tennessee Comptroller of the Treasury Real Estate Assessment Data.
2. For PILOT leases: Payments in lieu of taxes, with respect to Warren County real estate taxes, shall be based on the predevelopment Total Market Appraisal (land and improvements) as specified in the most current Value Information found in the State of Tennessee Comptroller of the Treasury Real Estate Assessment Data.

3. An applicant will have up to one (1) year from the time of approval by the MDRFC Board of Directors to close a PILOT lease. If the lease has not been closed within that time, the project will be required to be resubmitted, reviewed and approved by the MDRFC at the next regular monthly meeting and an extension fee of one thousand dollars (\$1,000.00) will be payable. The extension fee shall not be credited against the closing fee.
4. If a property, subject to a PILOT lease is vacant and unoccupied for a period of twenty-four (24) consecutive months, the PILOT lease shall be terminated, the property shall be returned to the owner and the property shall be returned to the tax roles at the current levels.
5. All PILOT leases will be closed in the name of the applicant or party designated in the application as the owner of the project. Prior approval of MDRFC Board of Directors will be required for substitution of another party as lessee under any PILOT lease upon closing thereof.
6. Upon completion of any project subject to a PILOT lease, the project shall be reviewed annually to determine if the project maintains compliance as set forth in the application with respect to such project use(s), plans and specifications approved by the Design Review or the McMinnville Historic Zoning Commission and the City of McMinnville Planning and Zoning Department.
7. All projects that are awarded a PILOT Lease shall use a "best faith effort" to reach a minimum of 20% Women/Minority Business W/MBE participation. The McMinnville Downtown Revenue Finance Corporation is committed to the goal of maximizing the level of minority and women owned business participation.
8. Consent to Assignment of Leasehold Interest Upon Foreclosure: In the event a lender holding a deed of trust or mortgage on the leasehold interest of a PILOT shall foreclose thereon or accept an assignment or deed in lieu of foreclosure of the lessee's interest there under, such foreclosure or assignment or deed in lieu thereof shall not be considered an assignment of the PILOT lease by this Corporation and shall not be subject to any consent or approval by this Corporation (to the extent required by the terms of the PILOT lease) nor shall any transfer fee be due and payable in connection therewith, so long as such lender holds the leasehold interest in the PILOT lease for resale and not for investment purposes. In the event a lender has succeeded to the rights of the lessee under the PILOT lease as a result of foreclosure or assignment or deed in lieu thereof, any subsequent assignment of the rights as lessee under the PILOT lease shall be subject to any required consent of this Corporation and the payment of any transfer fees due and payable in connection therewith. For the purposes of these policies, a lender shall be deemed to hold property for investment purposes and not for resale, and a transfer fee shall be due and payable, if it has held the property for more than

eighteen (18) months.

Fees:

1. There is a non-refundable application fee of \$100.00. The application fee will be applied toward the PILOT Project fee assessed at closing.
2. The Project fee for a PILOT Project shall be one thousand dollars (\$1,000.00) or one percent (1%) of the total project cost, whichever is greater. If a PILOT lease requires approval by the MDRFC Board of Directors of any sale, transfer or assignment, (as defined therein) of the lessee's interest in such PILOT lease, a fee equal to one percent (1%) of the project value shall be due in connection with such approval. Additionally, the Applicant shall be responsible for closing fees and expenses including the MDRFC's counsel fees and any cost associated with the Applicant's financing of the Project. Typical closing costs and MDRFC Counsel fees are seven hundred fifty dollars (\$750.00), except under unusual circumstances in which they may be higher.
3. For the purpose of determining the Project fee in connection with a PILOT Lease, project costs shall be determined on the basis of the total budgeted cost for a project including, without limitation, all soft and hard costs. The proposed budget set forth in any application to the Board shall be deemed to be a certification by the applicant that the budget set forth therein is a reasonable estimate of all project costs. An updated budget may be requested on behalf of the Board at the time of closing of such PILOT Lease.
4. Project value shall be determined on the basis of the total value given (including, without limitation, cash and assumption of debt) in the event of sale, transfer or assumption of all of the lessee's interest in a PILOT. If the sale, transfer or assumption is for less than all of the lessee's or borrower's interest, project value shall be determined on the basis of an appraisal of the Project.
5. An annual lease payment of one hundred dollars (\$100.00) shall be assessed for every year of the approved PILOT to cover administrative and documentation expenses incurred by the MDRFC. This fee shall be due and payable on the anniversary date of the PILOT lease closing or the next business day thereafter. Non-payment of the annual lease payment within sixty (60) days past the due date shall constitute the termination of the PILOT Lease Agreement.
6. Applicant shall be responsible for any cost associated with the Applicant's financing of the Project.

SECTION II

PILOT Program APPLICATION PROCESS

Administered By: McMinnville Downtown Revenue Finance Corporation

Application Process

1. Submittal of Application – An outline of the PILOT application follows in this package. The official application must be assembled based on this outline.

Two (2) original copies of the application must be received no later than fifteen (15) calendar days prior to the regularly scheduled MDRFC Board of Directors meeting. The applications should be mailed to:

McMinnville Downtown Revenue Finance Corporation, Inc.
P. O. Box 373
McMinnville, TN 37111

Or delivered no later than 4:30 PM to:

McMinnville Downtown Revenue Finance Corporation, Inc.
c/o Main Street McMinnville, Inc.
McMinnville/Warren County Chamber of Commerce Building,
110 South Court Square, Suite B-200
McMinnville, TN 37110

Incomplete applications will not be presented to the MDRFC Board of Directors for review. Incomplete applications will not be presented to the MDRFC Board of Directors until all requested information is complete. All incomplete applications will be subject to any new policies or procedures that are adopted by the McMinnville Downtown Revenue Finance Corporation Board of Directors.

2. Board Review and Approval - The MDRFC Board of Directors generally meets on the 4th Thursday of every month at 6:30 PM. Meetings are held at the MDRFC office conference room located at the Chamber of Commerce, 2nd Floor. The applicant's project will be publicly reviewed by the MDRFC Board of Directors based on MDRFC guidelines. In order for the application to be considered by the MDRFC Board of Directors the applicant, or his/her appointed representative, must be present at the meeting. An appropriate representative could be any of the project principles, professionals contracted on the project, or someone who the applicant has identified and has given written authorization to the MDRFC staff.
3. Closing – If the project is approved by the MDRFC Board of Directors, MDRFC legal counsel will arrange a PILOT closing meeting. The MDRFC will inform the Assessor's Office of an impending PILOT Lease to prevent

a reassessment or tax rate increase for up to one (1) year. At the closing meeting the title of the property will transfer to the McMinnville Downtown Revenue Finance Corporation and the tax freeze will be registered with the City of McMinnville and Warren County.

Applicant Fees:

There is a non-refundable application fee of one hundred dollars (\$100.00). The application fee will be applied toward the PILOT Project fee assessed at closing.

Closing Requirements:

There is a minimum fee of one thousand dollars (\$1,000.00) or a maximum fee of one percent (1.0%) of the total project cost, whichever is greater. Additionally, the Applicant shall be responsible for closing fees and expenses including the MDRFC's counsel fees which normally cost seven-hundred fifty dollars (\$750.00), except under unusual circumstances in which they may be higher; and any cost associated with the Applicant's financing of the Project.

Annual Lease Payment:

An annual lease payment of one hundred dollars (\$100.00) shall be assessed for every year of the approved PILOT to cover administrative and documentation expenses incurred by the MDRFC. This fee shall be due and payable on the anniversary date of the PILOT lease closing or the next business day thereafter. Non-payment of the annual lease payment within sixty (60) days past the due date shall constitute the termination of the PILOT Lease Agreement.

Other Closing Requirements:

1. A Deed from Lessee to MDRFC (see Sample - Exhibit B)
2. Consent to Transfer and Preservations of Lien Rights to be signed by the Lessee, their financial institution as secured creditor, and MDRFC. (see Sample - Exhibit C)
3. A MDRFC PILOT Lease Agreement (see Sample - Exhibit D)
4. An Escrow Servicing Agreement (see Sample - Exhibit E)
5. A Quitclaim Deed to be held in escrow (see Sample - Exhibit F)
6. Proposed Settlement Statement
7. *When applicable* - Resolutions from the general partners authorizing single partner as “Authorized Partner” to enter into the transaction.
8. Resolution signed by MDRFC Chairman and Secretary verifying board meeting and vote, and proof of public notice of such meeting.
9. Proof of liability insurance on the property with \$1 million in coverage for projects valued at less than \$1 million, and \$3 million if the project is worth more than \$1 million.
10. A Phase I Environmental Assessment of the property verifying that it is free of any environmental liabilities may be required.
11. Deed of Trust (if MDRFC is requested to pledge the fee simple interest or a Deed of Trust) (see Sample - Exhibit G)
12. Refer to 6.02 of the MDRFC PILOT Lease Agreement

SECTION III

McMinnville Downtown PILOT Program Application Description **Administered By: McMinnville Downtown Revenue Finance Corporation**

Applicant:

.1• State the name, address, and telephone number of the applying entity and/or state the name(s) of the applying entity's representatives.

.2Financial Guarantor Information

.3• State the name, address, and telephone number of any financial guarantors of the Project, if different from above.

.4Property Information

- State the location of the proposed project by street address
 - Provide the tax parcel number for all properties involved.
 - Provide the current Total Market Appraisal (land and improvements) of the property as specified in the most current Value Information found in the State of Tennessee Comptroller of the Treasury Real Estate Assessment Data (please attach a copy of the tax records).
 - Describe the proposed Usage of the Project. Include in this section:
 - a) Intended use.
 - b) Economic impact.
 - c) Marketing plans for the project identifying the intended market.
 - d) Types of lessees anticipated.
 - e) If the project is speculative, how long until full occupancy is expected to take?
 - f) Who will manage the project?
 - g) All other information needed to fully explain the project.
 - The square footage of the building to be renovated / land area for new construction or landscaping and site improvements.
 - Name the property owner at the time of application submittal.
 - If the Applicant does not presently own the property, does the Applicant have a valid option to purchase the property?
- .5• Describe any and all existing financing, options and liens on the property.

.6Estimated Project Costs and Additional Project Information

- Land and building(s)
- Renovation Cost
- Financial Costs
- Architectural and Engineering Costs
- Other Costs
- Total Cost
- State the proposed time schedule for the Project (attached additional sheets if necessary)
- Date of loan closing or contributing financing availability.
- Anticipated date construction will begin
- Anticipated completion date

- Name any of the following that will be involved with the Project (with address and phone numbers):
 - a) Counsel for the Applicant
 - b) Architects and engineers
 - c) Contractor for project
 - d) Other professionals
- State law requires that title to the projects be conveyed to MDRFC in order for it to grant payments in lieu of taxes; MDRFC then leases the property to the applicant or entity designated by the applicant. Indicate who the lessee will be for the Project.
 - a) Will the Project result in the subdivision of any present tax parcel?
 - b) Are any assessments presently under appeal?
 - c) If yes, please describe the status of the appeal.
- .7• Are changes needed to the public space around the Project (For example; sidewalks, lighting and planting).

.8 Loan/Proposed Loan Information

- Name of Financial Institution
- Address of Institution
- Phone Number
- Amount of Loan
- Attach Lender's commitment letter

The following statement must be included along with a dated signature of the applicant or applicant's representatives.

This application is made in order to induce the McMinnville Downtown Revenue Finance Corporation (MDRFC) to grant financial incentives to the applicant. The applicant hereby represents that all statements contained herein are true and correct. All information materially significant to the MDRFC in its consideration of the application is included. The applicant acknowledges that it has reviewed the descriptions of the MDRFC financial program for which it is applying and agrees to comply with those policies. The applicant shall show a good faith effort with regard to the employment of minority contractors. The applicant specifically agrees to pay all reasonable costs, fees and expenses incurred by the MDRFC whether or not the incentive is granted or project completed.

Section IV
McMinnville Downtown PILOT Application Form
Applicant Information

Name: _____

Address: _____

Phone Number: _____

Financial Guarantor Information

Name: _____

Address: _____

Phone Number: _____

Property Information

Address: _____

Tax parcel number(s) for all properties involved: _____

Current assessed value of property: Intended usage: _____

Square footage of the building: _____

Name of property owner at time of application: _____

If the Applicant does not presently own the property, do you have a valid option to purchase the property? _____ Yes _____ No If yes, attach copy.

Describe any and all existing financing, options and liens on the property.
(Attach additional sheets if necessary) _____

Estimated Project Costs:

Land and building(s)	\$
Renovation	\$
Financial	\$
Architectural and Engineering	\$
Other	\$
Total	\$

Additional Project Information

State the proposed time schedule for the Project: _____

Date of loan closing or contributing financing availability: _____

Anticipated date construction will begin: _____

Anticipated completion date: _____

Name any of the following that will be involved with the Project:

Counsel for the application: _____

Architects and Engineers: _____

Contractor: _____

Others: _____

Who will be lessee of the property? (See application instructions):

Will the Project result in the subdivision of any present tax parcel? Are any assessments presently under appeal? If yes, describe the status of the appeal:

State any changes needed to the public space around the Project (For example; sidewalks, lighting and planting?) : _____

Loan/Proposed Loan Information

Name of lending institution: _____

Address of institution: _____

Phone number: _____

Amount of Loan: _____

Attach Lender's commitment letter here.

Please disclose if the applicant or any guarantor has any previous or ongoing relationship with any MDRFC Board member or legal counsel of the Board? If so please describe in detail. (attach additional sheet).

Please disclose whether any applicant, guarantor or any other person involved with the project is currently engaged in any civil or criminal proceeding. Also disclose whether any individual involved with the project has ever been charged or convicted of any felony or currently is under indictment. Please supply detailed information. (attach additional sheet).

This application is made in order to induce the McMinnville Downtown Revenue Finance Corporation (MDRFC) to grant financial incentives to the applicant. The applicant hereby represents that all statements contained herein are true and correct. All information materially significant to the MDRFC in its consideration of the application is included. The applicant acknowledges that it has reviewed the descriptions of the MDRFC financial program for which it is applying and agrees to comply with those policies. The applicant shall also be required to show a good faith effort with regard to the employment of minority contractors. The applicant specifically agrees to pay all reasonable costs, fees and expenses incurred by the MDRFC whether or not the incentive is granted or project completed.

Date of submittal of this application: _____

Applicant (please print): _____

Signature: _____

Appendix A

Definition of Retail for the Purpose of the MDRFC PILOT Program (Based on the 2002 North American Industrial Classification System Sectors)

Allowable Retail Uses:

- 442 – Furniture and Home Furnishing Stores
- 443 – Electronics and Appliance Stores
- 444 – Building Material and Garden Supply Stores
- 445 – Food and Beverage Stores
- 446 – Health and Personal Care Stores
- 447 – Gasoline Stations
- 448 – Clothing and Clothing Accessories Stores
- 451 - Sporting Goods, Hobby, Book and Music Stores
- 452 – General Merchandise Stores
- 453 – Miscellaneous Store Retailers
- 453310 - Used Merchandise Stores (defined in this instance as antique dealers only)
- 51213 – Motion Picture and Video Exhibition
- 512130 - Motion Picture Theaters, Except Drive-ins
- 532 – Rental and Leasing Services
- 54192 – Photographic Services
- 541921- Photographic Studios, Portraits
- 71111 – Theater Companies and Dinner Theaters
- 711110 – Theater Companies and Dinner Theaters
- 71312 – Amusement Arcades
- 713120 – Amusement Arcades
- 713940 - Fitness and Recreational Sports Centers (that generate sales tax revenue)
- 71395 – Bowling Centers
- 713950 – Bowling Centers
- 72 – Accommodations and Food Services
- 722 – Food Service and Drinking Places

Exceptions (not allowed):

- 44112 – Used Car Dealers
- 441120 – Used Car Dealers
- 45393 – Manufactured, Mobile Home Dealers
- 453930 - Manufactured, Mobile Home Dealers
- 4533 – Used Merchandise Stores
- 45331 - Used Merchandise Stores
- 454 - Non-Store Retailers
- 5321 – Automotive Equipment Rental and Leasing

Appendix A - Definition of Retail for the Purpose of the MDRFC PILOT Program (Based on the 2002 North American Industrial Classification System Sectors)

Continued

53211 – Passenger Car Rental and Leasing
532111 - Passenger Car Rental
532112 - Passenger Car Leasing
53212 – Truck, Trailer and RV Rental and Leasing
532120 – Truck, Trailer and RV Rental and Leasing
5323 – General Rental Centers
53231 - General Rental Centers
532310 - General Rental Centers
5324 – Machinery and Equipment Rental and Leasing
53241 – Heavy Machinery and Equipment Rental and Leasing
532411 – Transportation Equipment Rental and Leasing
53249 – Other Machinery Rental and Leasing
532490 – Other Machinery Rental and Leasing
7212 – RV Parks and Recreational Camps
72121 – RV Parks and Recreational Camps
72124 – Recreational and Vacation Camps
7213 – Rooming and Boarding Houses
72131 – Rooming and Boarding Houses
721310 - Rooming and Boarding Houses
7223 – Special Food Services

McMinnville Downtown PILOT Program
Exhibit A - McMinnville Downtown Revenue Finance Corporation
Boundaries

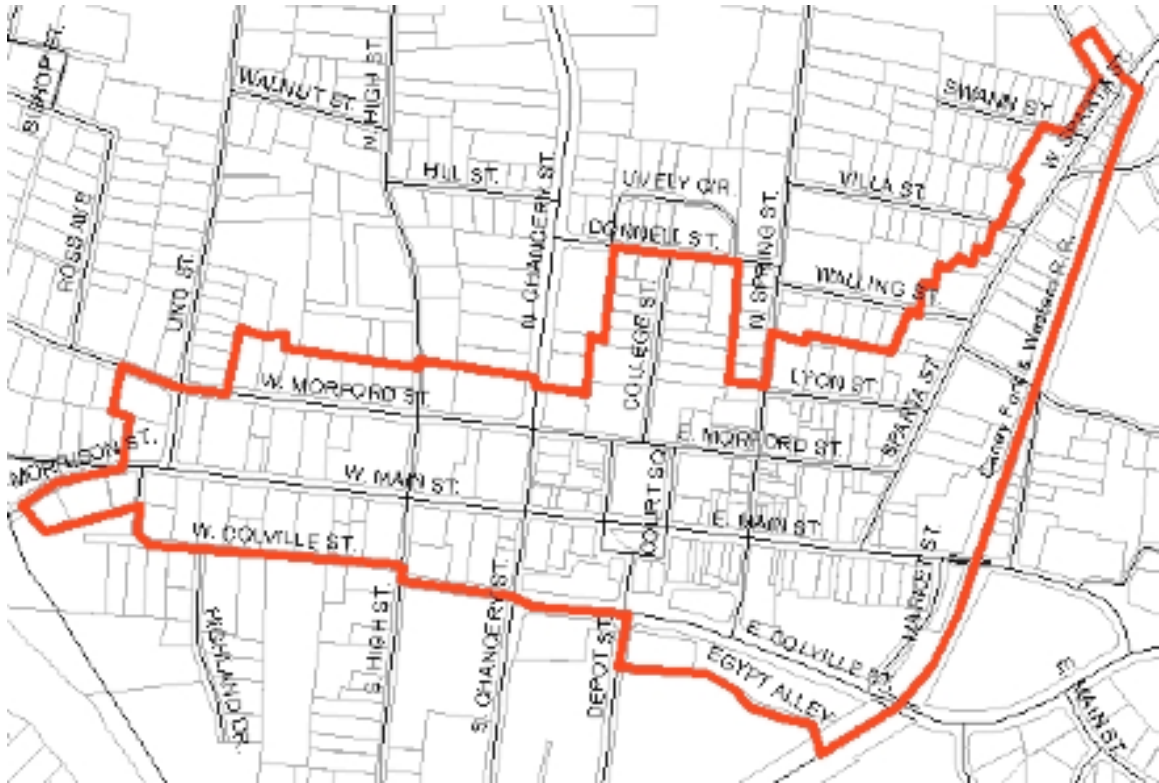


Exhibit B - Sample Deed from Lessee to MDRFC

A Deed from Lessee to MDRFC is available at the MDRFC office and can be forwarded to the applicant upon request.

Exhibit C - Sample Consent to Transfer and Preservations of Lien Rights

Consent to Transfer and Preservations of Lien Rights to be signed by the Lessee, their financial institution as secured creditor, and MDRFC. A copy is available at the MDRFC office and can be forwarded to the applicant upon request.

Exhibit D - Sample MDRFC PILOT Lease Agreement

A MDRFC PILOT Lease Agreement is available at the MDRFC office and can be forwarded to the applicant upon request.

Exhibit E - Sample Escrow Servicing Agreement

An Escrow Servicing Agreement A Quitclaim Deed to be held in escrow. A copy is available at the MDRFC office and can be forwarded to the applicant upon request.