Haywood Local Government/Rules Committee (LGC)

May 12, 2026, 4:30PM – 6:00PM

Haywood Justice Center - Conference Room

Committee Members - Commissioners

Sharon Hayes (Chair) • Alan O'Quin (Vice Chair)

Jim Duke • Sheronda Green • Rhonda Thompson

Minutes:

I. Call to Order - Determination of Quorum - Welcome

Chair Hayes called the meeting to order and declared a quorum, with the following committee members present: Commissioners Hayes, O'Quin, Duke, Green, Thompson

Others present: Sarah Levy *(County Attorney)*; Leonard Jones, Jr (*Commissioner); Periann* Houghton *(Commissioner, Brownsville States Graphic);* Mary Lonon *(County Court Clerk),* Emma Covington *(Vision Haywood)*

II. Approval of Minutes – Upon motion duly made and seconded**,** minutes of the April 14, 2026 meeting were approved.

III. Public Comments – None

IV. **DRAFT Resolution – PILOTs - Authority, Accountability, & Payments** – Chair Hayes handed out the latest version of the PILOT (Payments in Lieu of Taxes) resolution under development since the January meeting. Chair Hayes noted that the draft has been publicly circulated, and summarized its purpose as follows:

- Provide the legal basis for PILOTs and background on practices in Haywood County
- Clarify that PILOTs represent reduced property taxes and are County funds
- Affirm that only the County as taxing jurisdiction has authority to appropriate tax funds
- Acknowledge Haywood County's commitment under the West Tennessee Megasite agreement to provide police, fire, and EMS services to the megasite
- Support the County's fiscal and fiduciary responsibility in planning for long-term public obligations, infrastructure, and essential government, education, and public safety services
- Promote accountability and communication regarding PILOT approvals, community compatibility, cost-benefits, and due diligence
- Establish clear procedures regarding the distribution of PILOT revenues

DISCUSSION: Commissioner Green recommended streamlining the County review process by designating the County Mayor as the County liaison in place of a three-member review committee. Commissioner Green also recommended removing references to the City of Brownsville from the payment provisions so the resolution focused solely on PILOT distributions applicable to the County.

ACTION: Commissioner Thompson moved, seconded by Commissioner O'Quin, to recommend approval of the resolution incorporating the amendments proposed by Commissioner Green and to forward the resolution to the County Commission for consideration at the May 18, 2026 meeting. The motion carried unanimously.

The proposed resolution as amended and forwarded to the County Commission is attached and incorporated into these minutes.

V. Haywood County Attorney – Amendment to Private Acts of 1945, Chapter 350 – Chair Hayes reported that the amendment approved by County Commission in March had been passed by the General Assembly and was awaiting the Governor's signature.

VI. Brief Updates & Progress on Previous Actions –

1. **Dyersburg State Community College –** A local campus remains a priority for the advancement and long-term prosperity of Haywood County. Commissioner Green, Chair of the County Education Committee, plans to include on a future committee agenda.
2. **County Website –** A meeting with county webmaster remains pending to review the proposed website updates outlined in materials distributed at the February meeting.
3. **FY2025 County Audit –** The Audit Committee met on May 6. Audit Committee Chair Hayes will present a follow-up report at the May 18 County Commission meeting.
4. **Rules Manual –** Future revisions are being compiled for an August update to incorporate newly enacted statutes affecting county rules.
5. **Commissioner Training –** The cutoff for the 2025-2026 training cycle is August 31.
6. **HR Committee –** A meeting is required under the HR Resolution; however, there has been no activity.
7. **Capital Improvement Planning –** The CIP Committee continues updating the County's facilities inventory in coordination with the Renaissance Group proposal to complete a comprehensive assessment of the County's capital assets; Insurance proceeds related to the County Farm remain pending.
8. ***Happening Haywood Strategic Plan - Oct 2025 –*** BHEDC implementation is pending.
9. **Museum Committee –** This committee, appointed by Mayor Livingston in 2025, has not yet met. Chair Hayes encouraged the committee to convene and elect a chair.
10. **America 250 –** The Hatchie Trails event is scheduled for June 13.

VII. Next Meeting & Adjournment– The committee's regular meeting is held on the second Tuesday of each month at 4:30PM. There being no further business, the meeting was adjourned.

Respectfully submitted by Commissioner Sharon Hayes for approval on July 14, 2026

ATTACHMENT
LGC Minutes 5.12-2026
Commission Agenda 5.18.2026
Did Not Pass

Haywood County Commission

May 2026 – Resolution Number ______

Payments in Lieu of Taxes (PILOTs)
Authority, Accountability, and Payments

WHEREAS, Industrial Development Boards (IDBs), are public nonprofit corporations created pursuant to TCA § 7-53-101 et seq. for the purpose of promoting industrial and economic development including the authority to facilitate tax abatement through agreements for Payments in Lieu of Taxes (PILOTs); and

WHEREAS, PILOT agreements result in the abatement of ad valorem property taxes that would otherwise be payable to Haywood County and its taxing jurisdictions; and

WHEREAS, the Tennessee Advisory Commission on Intergovernmental Relations (TACIR) has found that PILOT agreements are, in effect, negotiated property tax reductions and should be treated as matters of public fiscal policy involving local governments. TACIR further emphasizes the importance of transparency, accountability, and participation by local governing bodies in the evaluation and approval of PILOT agreements*; and

WHEREAS, the Brownsville-Haywood County Industrial Development Board ("IDB"), also known as the Brownsville–Haywood Economic Development Corporation ("BHEDC"), is a joint City–County entity formed in 2015 to promote local economic development; and

WHEREAS, by Resolution #022001 adopted in February 2020, the Haywood County Commission delegated authority to the IDB to grant PILOTs to Tractor Supply Company "and other companies"; and

WHEREAS, since the passage of Resolution #022001, the Megasite Authority of West Tennessee announced the Ford BlueOval SK project and related development, resulting in extraordinary changes to the County's economic development opportunities as well as substantial obligations for essential services and infrastructure, and

WHEREAS, The Intergovernmental Funding Agreement was entered into in April 2023, by and among the State of Tennessee, acting through the Megasite Authority of West Tennessee, Haywood County, and the Industrial Development Board of the City of Brownsville and Haywood County, (IDB); and

WHEREAS, Under the Intergovernmental Funding Agreement, provisions for the operation of the West Tennessee Megasite, including the operations of the PILOT Lessees, requires the provision of full-time police protection, fire protection and emergency medical services to the Megasite, the provision of which is: "intended to be funded in part by PILOT Payments. The County shall provide, or shall cause another municipality or authorized provider to provide, full-time police protection, fire protection and emergency medical services to the Megasite, at no additional cost to the Authority or its tenants"; and

WHEREAS, in 2023, when Haywood County entered into the Intergovernmental Funding Agreement with the Megasite Authority, the County relied upon public representations that manufacturing operations associated with the Ford BlueOval project would begin in 2025; and

WHEREAS, delays in manufacturing operations until at least 2029, have materially impacted the County's finances while the County nevertheless incurred obligations for infrastructure, public safety, emergency services, solid waste disposal, and repair of damaged county roads; and

WHEREAS, Haywood County has undertaken the development of a new high school campus with an estimated cost of One Hundred Million Dollars ($100,000,000), and the County is expected to incur substantial long-term debt obligations associated therewith; and

WHEREAS, revenues from PILOTs are a significant source for repayment of such public debt obligations and related educational infrastructure costs; and

WHEREAS, Haywood County is heavily reliant on the collection of ad valorem (property) taxes to fund essential government services and county debt, and requires sustainable and predictable revenue streams to fulfill its statutory and contractual obligations; and

WHEREAS, PILOTs, as negotiated reductions in property taxes, directly affect revenues available for essential public services and infrastructure related to community growth; and

WHEREAS, previous negotiations since 2023 between the County and the IDB have not resulted in formalized written agreements for PILOT authorizations and for sustainable funding for essential county services and infrastructure from PILOTs; therefore, the Haywood County Local Government Committee began in December 2025 the necessary follow through regarding the PILOT process, accountability, and payments; and

WHEREAS, IDBs are public nonprofit corporations established for limited statutory purposes and are distinct from elected county legislative bodies possessing appropriations authority over county tax revenues, and the appropriation and allocation of public funds remain legislative functions reserved to county and municipal governing bodies under Tennessee law; and

WHEREAS, since the 2020 Tractor Supply Resolution, the IDB has independently adopted as a formal policy the Economic Incentives Strategy approved June 6, 2024**,** including its Tax Abatement Matrix, which establishes parameters for PILOT eligibility and evaluation; and

WHEREAS, pursuant to provisions of TCA 7-53-305 and consistent with the TACIR findings, and reflecting the long-term interests of citizens and the <u>County's fiscal fiduciary responsibility</u>: The Haywood County Commission seeks to ensure appropriate review and benefits of PILOT agreements; promote accountability for economic development incentives; and provide for PILOT payments to the County to recover in part the reduction in property taxes necessary for essential public services and infrastructure; and

WHEREAS, the Haywood County Commission finds that formalized accountability, transparency, and distribution procedures regarding PILOT revenues are necessary to protect the County's fiscal stability and its ability to satisfy long-term public obligations incurred on behalf of its citizens;

NOW, THEREFORE, BE IT RESOLVED BY HAYWOOD COUNTY COMMISSION:

1. **County Mayor - PILOT Liaison** The County Mayor shall serve as the primary liaison between the County Commission and the IDB regarding proposed PILOT agreements and related economic development incentive matters affecting Haywood County.

   The purpose of this liaison role is to promote communication, transparency, and coordination regarding PILOT matters and to safeguard the fiscal, fiduciary, and policy interests of Haywood County throughout the PILOT review process.

   The County Mayor shall request, receive, and review information regarding proposed PILOT agreements, including (a) projected public benefits and impacts, (b) community compatibility considerations, infrastructure and public service demands, cost-benefit analyses, and due diligence documentation.

   The County Mayor shall communicate information regarding proposed PILOT agreements to the Haywood County Commission in a timely manner and shall provide reports and recommendations concerning community compatibility, proposed PILOT agreements, modifications, renewals, extensions, compliance matters, and related PILOT revenue issues affecting the County. Proprietary or other confidential information protected by statute or lawful non-disclosure agreements shall remain confidential to the extent permitted by law.

   The County Mayor and County Commission shall be notified of all meetings of the IDB and its committees regarding PILOTs and other policy matters, which shall be conducted in accordance with applicable Tennessee open meetings and public notice laws.

   The County Mayor shall ensure that IDB Bylaws, Policies, and Annual Audit Reports are furnished to the Haywood County Commission.

2. **PILOT Policy and Matrix**. The Commission hereby supports the use of the Economic Incentives Strategy dated June 6, 2024**,** including its Tax Abatement Matrix ("EIS Policy / Matrix"), as the policy framework for the evaluation of PILOTs by the IDB with the clarification set out in 3 below. The County Commission's expectation under its delegation of PILOT authority, is that the IDB shall follow the approved EIS Policy / Matrix when considering PILOT applications, including any extensions, renewals, or modifications under consideration for existing PILOTS. This policy document, prepared by VisionFirst Advisors and approved by the IDB on June 6, 2024, is incorporated herein by reference.

3. **Community Compatibility**. Each proposed PILOT agreement, renewal, modification, or extension shall be evaluated for community compatibility and overall public impact. Such evaluation shall include consideration of environmental impact, infrastructure capacity, public safety, natural resource protection, and compatibility with existing land use and development plans. The County Mayor as PILOT Liaison shall consult with County Commissioners, county departments, public safety officials, planning professionals, qualified advisors, and other appropriate stakeholders as necessary in carrying out these responsibilities.

4. **Cost-Benefit Analysis.** Pursuant to TCA 7-53-305, no PILOT shall be approved, extended, renewed, or modified without a documented cost-benefit analysis demonstrating that the anticipated public benefits outweigh the value of the tax abatement. This analysis

shall be attached to the PILOT agreement presented for approval and shall be submitted to the County Mayor as PILOT Liaison and Haywood County Property Assessor, along with the PILOT agreement, within thirty (30) days of IDB approval.

5. **Due Diligence Documentation.** Due diligence shall be conducted on each PILOT applicant, including documentation of the community compatibility criteria described in Item 3. Such diligence shall include, at a minimum, reasonable research into the company's financial condition, ownership, compliance history, and overall suitability, including environmental considerations. Such documentation shall be furnished to the County Mayor as PILOT Liaison.

6. **Communication and Verification**. The County Mayor shall confirm receipt and review of the following documents: a) proposed PILOT Agreement, b) Cost-Benefit Analysis, c) Community Compatibility, and d) Due Diligence documentation. At least twenty (20) days prior to IDB consideration, written acknowledgment of receipt and review by the County Mayor shall be provided to the County Commission prior to final action by the IDB. Written confirmation of the County Mayor to the County Commission shall constitute acknowledgment that the proposed PILOT is consistent with the EIS Policy / Matrix, Community Compatibility, and that Due Diligence has been completed. The proposed PILOT may then proceed without further action of the full County Commission. Any negative recommendations or incomplete review shall be submitted to the full Commission for consideration. The Mayor shall file the documents listed above with the County Clerk.

7. **When Commission Action is Required**. Any proposed PILOT that deviates from Community Compatibility, the EIS Policy/Matrix, or Due Diligence completion shall require prior approval by a majority vote of the full Haywood County Commission.

8. **Notification to County Commission**. The County Mayor as PILOT Liaison shall notify the full Commission of a pending PILOT application at least ten (10) days prior to IDB consideration on any proposed PILOT agreement with a new or existing company.

9. **Public Hearing.** Pursuant to TCA § 7-53-305 (j), before an IDB considers a PILOT agreement for approval, the IDB shall hold a public meeting relating to the proposed agreement after notice is provided by the IDB or governing body, as may be required by law, at least five (5) days prior to the date of such public meeting.

10. **Reporting Requirements and Compliance.** The IDB shall assist the County Mayor as PILOT Liaison in providing the County Commission with an annual written report on all active PILOT agreements on a fiscal year basis, to include information required by the Tennessee Comptroller of the Treasury, as well as:
    a. Amount of capital investments made each year
    b. Number of remote and non-remote jobs created and retained
    c. Average hourly wages for all employees
    d. New Haywood County residents attributed to lessee
    e. Additional local tax revenues generated
    f. Any other measurable economic benefits
    g. Compliance with the terms of the PILOT agreement

11. **Payment and Distribution of PILOT Revenues.** All payments made pursuant to PILOT agreements shall be administered in a manner that ensures transparency, accountability, and alignment with the fiscal needs, debt obligations, and fiduciary responsibilities of Haywood County and its governmental partners.

The County Commission affirms that PILOT revenues are intended to offset, in whole or in part, the impact of property tax abatements and to support the provision of essential public services and infrastructure.

Because PILOT payments are in effect negotiated payments of property taxes otherwise due to Haywood County and applicable municipalities, it is the policy of Haywood County that PILOT revenues shall be distributed to the respective taxing jurisdictions, with the IDB retaining approved administrative costs.

Accordingly, the following payment framework shall apply unless otherwise approved by the County Commission:

(a) PILOT payments shall be collected by the IDB in accordance with applicable law and agreements.

(b) The IDB may retain a reasonable portion of PILOT revenues to support its administrative and operational functions, with the expectation that:

- An administrative fee not to exceed five (5%) percent of annual PILOT payments; and
- A maximum aggregate annual cap of $500,000 from all PILOT sources unless otherwise approved by the County Commission

(c) It is the policy position of Haywood County that all remaining PILOT revenues shall be distributed to Haywood County, the City of Brownsville, and Town of Stanton, as applicable, in proportion to their respective ad valorem tax rates, in effect at the time of the agreement, unless an alternative allocation is expressly approved by the County Commission. Payments shall be remitted to the respective government bodies within forty-five (45) days after receipt.

For clarity, based on current property tax rates, the proportional distribution of the ninety-five percent (95%) net PILOT revenues within the **City of Brownsville** would currently be calculated as follows:

- **Haywood County: - 53.70%** of total PILOT revenues calculated as follows:

  County Rate $1.9285 divided by Total Rate (County $1.9285+City $1.4828) * 95%

- **IDB: 5.00%** administrative fee

The prorated distribution for any future PILOTS involving the **Town of Stanton** shall be determined based on the ad valorem rates in effect at the time of the agreement.

PILOTS located outside municipal borders shall be distributed as follows:

- **Haywood County: 95.00%**
- **IDB: 5.00%** administrative fee

(d) Each October, the IDB shall provide a full accounting of all PILOT revenues collected, retained, and distributed for the prior fiscal year, or more frequently upon request of the County Commission.

12. **Provisions Severable**. Nothing in this Resolution is intended to supersede or conflict with the statutory authority of the IDB under Tennessee law, but rather to establish the policy position and fiscal expectations of Haywood County regarding PILOT participation and related public obligations. In the event any of the provisions of this resolution are determined to be in conflict with statutory provisions, state laws shall take precedence. If any provision is held invalid, the invalidity does not affect other provisions of this resolution and to that end, the provisions herein are severable.

* Tennessee Advisory Commission on Intergovernmental Relations. 2018. *Encouraging More Cooperation and Accountability in Payment in Lieu of Tax Agreements.*

Effective Date: This resolution shall take effect upon its passage and approval, the public welfare requiring it.

Adopted and approved this _____ day of __________________, 2026.

Chair, Haywood County Commission

Jeffery Richmond____

Mayor, Haywood County

David M. Livingston____

Attest:
Haywood County Clerk

Sonya Castellaw____