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190 EAST CAPITOL STREET, SUITE 800 (39201)
P.O. BOX 427
JACKSON, MISSISSIPPI 39205-0427
601-949-4900
FAX 601-949-4804
www.joneswalker.com

Christopher S. Pace
Not admitted in Alabama
Direct Dial (601) 949-4839
Direct Fax (601) 949-4804
E-Mail: cpace@joneswalker.com

February 28, 2017

Via Hand Delivery

Madison County Board of Supervisors
c/o Ronnie Lott,
Madison County Chancery Clerk
125 West North Street
Canton, MS 39046

**Re: Tower Automotive Operations USA I, LLC / Application for Ad Valorem
Tax Exemptions in Connection with Expansion in 2016**


Dear Mr. Lott:

Enclosed please find (i) four (4) original applications for exemption from ad valorem taxes with respect to a significant expansion in 2016 by Tower Automotive Operations USA I, LLC of its manufacturing facility located in Madison County, Mississippi (the "County"); and (ii) two (2) copies of the associated "tax position statement" for the County Tax Assessor, as required by the County's guidelines for submission of the enclosed applications. Also enclosed is a proposed copy of the resolution and the final order of the Madison County Board of Supervisors (the "Board") to be adopted thereby in connection with the application referenced herein.

Accordingly, we respectfully request that you please accept **three (3)** of the original applications for filing with the Board and **one (1)** copy of the completed "tax position statement" for filing with the County Tax Assessor, stamp as "filed" the remaining application and tax position statement (each of which is marked as a COPY), and return the stamped copies with our messenger. Thank you for your assistance and please notify us once these matters have been set on the Board's meeting agenda for consideration. I look forward to speaking with you soon. With kindest regards, I remain,

Very truly yours,

JONES WALKER, LLP



Christopher S. Pace

CSP/jb

cc: Norman A. Cannady, Jr. (via email w/encl.)
Ken Oilschlager (via email w/encl.)
Jerry DuFresne (via email w/encl.)

JONES WALKER LLP

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{JX245753.1}

ORIGINAL

APPLICATION TO THE BOARD OF SUPERVISORS

OF

MADISON COUNTY, MISSISSIPPI

FOR EXEMPTION FROM
AD VALOREM TAXES

FILED
MADISON COUNTY

FEB 28 2017

RONNY LOTT, CHANCERY CLERK .

BY Chandler D.C.

APPLICATION OF TOWER AUTOMOTIVE OPERATIONS USA I, LLC, FOR EXEMPTION FROM AD VALOREM TAXES FOR A TEN (10) YEAR PERIOD AS AUTHORIZED BY SECTION 27-31-105 OF THE MISSISSIPPI CODE OF 1972, AS AMENDED.

TO THE HONORABLE BOARD OF SUPERVISORS OF MADISON COUNTY, MISSISSIPPI:

Comes now, **Tower Automotive Operations USA I, LLC** (the "Applicant"), and files this Application in triplicate (this "Application") for exemption from ad valorem taxation, except ad valorem taxes levied for school district purposes ("school district taxes") and the "mandated levies" described in Section 27-39-329 of the Mississippi Code of 1792, as amended (the "Code"), and respectfully represents unto the Honorable Board of Supervisors of Madison County, Mississippi (the "Board") as follows:

1. Applicant is a limited liability company organized in Delaware, qualified to do business in the State of Mississippi, and is currently engaged in business activities in Madison County, Mississippi.
2. Certain exemptions previously granted to Applicant by the Board were granted to Applicant's predecessor-in-interest, Tower Automotive Products Company, Inc., which filed for Chapter 11 bankruptcy protection. Tower Automotive Operations USA II, LLC, a limited liability company organized in Delaware, was formed as part of the bankruptcy proceeding as the surviving (post-bankruptcy) company, and effective as of July 31, 2007, was assigned and assumed all of the assets of Tower Automotive Products Company, Inc., including those assets located at 440 Church Road, Madison, Mississippi 39110.
3. On December 31, 2011, Tower Automotive Operations USA II, LLC was merged with and into Applicant, with Applicant as the surviving entity. As a result of such merger, Applicant was assigned and assumed all of the assets of Tower Automotive Operations USA II, LLC, including those assets located at 440 Church Road, Madison, Mississippi 39110.
4. Hereafter, "Applicant" shall be deemed to refer to Tower Automotive Products Company, Inc. when referencing events occurring prior to the July 31, 2007, to Tower

Automotive Operations USA II, LLC when referencing events occurring on or after July 31, 2007, and prior to December 31, 2011, and to Tower Automotive Operations USA I, LLC when referencing events occurring after December 31, 2011.

5. The Applicant has negotiated in good faith with the Board of Supervisors as to the ad valorem tax exemption authorized by Code Section 27-31-105 and related Code Sections.

6. The Board of Supervisors, in order to encourage the Applicant to locate an industrial enterprise in Madison County, agreed to grant ad valorem tax exemptions with respect to any real or personal property used in the operation of the industrial enterprise for a period of ten (10) years by entering into a Memorandum of Understanding, dated as of, and approved by the Board at a meeting on, November 5, 2001 (the "Tower MOU"). Specifically, Section 1.4(a) of such Memorandum of Understanding, the relevant portion of which is attached hereto as Exhibit "A", provided as follows:

Approval of Tax Exemptions. The county agrees that, acting by and through its Board of Supervisors, it will approve all tax exemptions which are legally permissible for the maximum term applicable thereto with respect to any real or personal property used in connection with or necessary to the operation of the Project. The County agrees to approve ad valorem tax exemptions under current law for periods of ten (10) years upon the submission by [Applicant] of proper and timely applications under Mississippi law. The County's agreement to approve ad valorem tax exemptions shall be for a period of twenty (20) years from the Effective Date.

7. As further inducement for suppliers of Nissan North America, Inc. ("Nissan") to locate their operations in the County, the Board entered into a Memorandum of Understanding dated effective as of November 8, 2000 and approved at a meeting on December 4, 2000 (the "Nissan MOU"), pursuant to which the Board agreed to extend all applicable ad valorem tax exemptions to those Nissan suppliers. Specifically, Section 1.3(d)(vii) of such Memorandum of Understanding, the relevant portion of which is attached hereto as Exhibit "B", provided as follows:

Tax Exemptions for Suppliers. The County agrees to approve ad valorem tax exemptions under current law for suppliers of Nissan for periods of ten (10) years upon the submission by the suppliers of proper and timely applications under Mississippi law. Such agreement to approve supplier ad valorem tax exemptions shall be for a period of twenty (20) years from the Effective Date.

8. Applicant is now operating a motor vehicle parts manufacturing facility (the "Facility") at the Central Mississippi Industrial Center, 440 Church Road, within Madison County, Mississippi, to supply the nearby Nissan assembly plant.

9. The Facility qualifies as a "manufacturing or other industrial enterprise of public utility" within the meaning of Miss. Code Ann § 27-31-105 and related Mississippi statutes.

10. The Facility was originally completed (within the meaning of the applicable statutes of the State of Mississippi) in 2003, and in 2004 the Board granted the Applicant a ten (10) year ad valorem exemption pursuant to Code sections 27-31-101 as well as 57-10-255 and/or 57-10-439(2).

11. In 2016, Applicant expanded the Facility by replacing and upgrading existing machinery and equipment and adding new machinery and equipment and other tangible personal property (the "Expansion") for the primary purpose of improving and expanding its production capacity of automobile frames supplied to Nissan. The Expansion was conducted throughout 2016 as new machinery, equipment and other tangible personal property was acquired or transferred to the Facility and placed into service.

12. Following the Expansion, the Facility currently employs approximately 164 employees.

13. This Application seeks the exemption of all real and tangible personal property (other than tagged over-the-road motor vehicles) associated with the Expansion that is used in connection with or is necessary to the operation of the Facility (the "Expansion Property"), as more particularly described on Exhibit "C" attached hereto. The original cost of all Expansion Property is \$5,944,020.39.

14. All of the Expansion Property is used in connection with and is necessary to the operation of the Facility, and is currently eligible for exemption pursuant to Code section 27-31-105 (the "Expansion Exemption") from all ad valorem taxation, except school district taxes and the "mandated levies" described in Code section 27-39-329.

15. The Expansion Exemption should be granted with respect to the Expansion Property for a ten (10) year period beginning on January 1, 2017.

PRAYER

WHEREFORE, the Applicant prays that the Board enter the following findings and take the following actions:

1. That the Applicant has in fact added to and expanded a new industrial enterprise of public utility within the meaning of Code section 27-31-105;
2. That the Board has previously assured Applicant that the Board would grant all applicable ad valorem tax exemptions, including the exemption for expansions permitted under Code section 27-31-105, as evidenced by the Tower MOU attached hereto as Exhibit "A" and the Nissan MOU attached hereto as Exhibit "B";
3. That all expenditures shown on Exhibit "C" attached hereto are used in connection with and are necessary to the operation of the Facility;
4. That the Expansion was completed during 2016, within the meaning of the applicable laws of Mississippi;
5. That the Applicant should be granted an exemption, under Code section 27-31-105, from ad valorem taxation, except school district taxes and the "mandated levies" described in Code section 27-39-329, as provided by law, for a ten (10) year period beginning on January 1, 2017, for the Expansion Property;
6. That the Board should approve this Application by a Resolution spread upon its minutes, declaring that the Expansion Property described herein shall be exempt from all ad valorem taxation, except school district taxes and the "mandated levies" described in Code section 27-39-329, for a ten (10) year period beginning on January 1, 2017; and
7. That the Board should forward the original Application and a certified transcript of such approval to the Mississippi Department of Revenue and, upon approval of this Application by the Mississippi Department of Revenue and the issuance of its certificate of approval, should enter a Final Order on its minutes granting the prayed for Expansion Exemption and notify the Madison County Tax Assessor of such Expansion Exemption, obtain a certificate of the Madison County Tax Assessor verifying the status of said property as non-taxable on the appropriate tax rolls, and file a copy of the Final Order with the Mississippi Department of Revenue.


[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Application to the Board of Supervisors of Madison County, Mississippi, for Exemption from Ad Valorem Taxes is hereby executed by the undersigned party as of the date set forth in the acknowledgement below and respectfully submitted on this, the 23rd day of February, 2017.

APPLICANT:

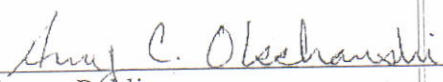
TOWER AUTOMOTIVE OPERATIONS USA I, LLC

By: 
Name: Dennis C. Pike
Title: Treasurer

STATE OF Michigan ss
COUNTY OF Wayne

Personally appeared before me, the undersigned authority in and for the county and state aforesaid, the within named Dennis C. Pike, who acknowledged to me that he is the duly authorized representative for **Tower Automotive Operations USA I, LLC**, a limited liability company organized in Delaware, and that for and on behalf of said limited liability company and as its act and deed he swore to and subscribed the foregoing Application as of the day and year therein mentioned, he being first duly authorized so to do.

Given under my hand and official seal, this the 23rd day of February, 2017.


Notary Public

My Commission Expires:
8/7/2020

AMY C OLSCHANSKI
Notary Public, State of Michigan
County of Wayne
My Commission Expires 08-07-2020
Acting in the County of Wayne

EXHIBIT "A"

**TOWER AUTMOTIVE MEMORANDUM OF UNDERSTANDING
DATED NOVEMBER 5, 2001
(RELEVANT PORTIONS ONLY)**

carried forward and applied in succeeding years not to exceed three (3) years following the date upon which the credit was earned.

- 1.2 **Mississippi Franchise Tax Incentives.** The State shall enter into a fee-in-lieu or similar agreement with Tower by which Twenty-five Thousand Dollars (\$25,000) annually shall be paid by Tower in Mississippi franchise taxes on the Project (so long as Tower is doing business on the Project Site) for a term of thirty (30) years. The thirty (30) year period of the franchise tax fee-in-lieu agreement shall commence in the first taxable year in which the franchise tax liability on the Project exceeds Twenty-five Thousand Dollars (\$25,000).

- 1.3 **Mississippi Sales and Use Tax Incentives.** (a) As provided in the RED Act, machinery, equipment, furniture, fixtures, construction materials and services purchased by any entity utilizing the proceeds of RED Act Bonds will be exempt from Mississippi sales and use taxes. Upon the financing of the same with proceeds of RED Act Bonds, purchases and leases to establish and operate the Project shall be exempt from sales and use tax including (a) all lease agreements and all payments and purchases required to establish the Project, including, but not necessarily limited to, sales of component materials used in the construction of buildings and any additions or improvements thereon, (b) the revenue derived from any lease of the Project or any portion thereof, and (c) services that would otherwise be subject to sales tax under Section 27-65-23. The County agrees to approve the tax exemptions provided in the RED Act.

(b) Should the Developer or Tower elect not to utilize the RED Act Bond program, they may receive a sales and use tax exemption equal to the one-half of their total liability on purchases of building materials and new equipment and machinery pursuant to the Mississippi Economic Development Reform Act of 1989, appearing as Section 57-73-21 through 57-73-29, and the provisions of Section 27-65-101(2).

- 1.4 **Mississippi Property Tax Incentives.**

(a) **Approval of Tax Exemptions.** The County agrees that, acting by and through its Board of Supervisors, it will approve all tax exemptions which are legally permissible for the maximum term applicable thereto with respect to any real or personal property used in connection with or necessary to the operation of the Project. The County agrees to approve ad valorem tax exemptions available under current law for periods of ten (10) years upon the submission by the Developer or Tower of proper and timely applications under Mississippi law. The County's agreement to approve ad valorem tax exemptions shall be for a period of twenty (20) years from the Effective Date. The Developer agrees that upon the request of Tower, it will cooperate in connection with the preparation and submission of such applications. Should the Developer or Tower elect to utilize the RED Act Bond program, the County agrees to approve the tax exemptions provided in the RED Act.

EXHIBIT "B"

**NISSAN MEMORANDUM OF UNDERSTANDING
DATED NOVEMBER 8, 2000
(RELEVANT PORTIONS ONLY)**

(iii) Vendor Tooling

Nissan owned vendor tooling shall be exempt from property tax. Such exemption shall cover special tools (such as dies, molds and jigs) held for use in motor vehicle and motor vehicle parts production and assembly that are located in facilities outside of the boundaries of the Project Site.

(iv) Free Port Warehouse Exemption

The County agrees to approve a Free Port Warehouse Ad Valorem Tax Exemption, pursuant to Mississippi Code Section 27-31-53, from all ad valorem taxes, on inventory designated to be shipped outside the State for the maximum term permitted by law, for the Project upon the submission by Nissan of a proper application under Mississippi law. The County also agrees to use best efforts to assist Nissan in obtaining a Free Port Warehouse License for the Project from the State.

The State agrees to issue a Free Port Warehouse License, pursuant to Mississippi Code Section 27-31-51, to the Project upon the submission of a proper application by Nissan and a resolution of the County approving such Free Port Warehouse Exemption under Mississippi law.

(v) Manufactured Products Property Tax Exemption

In addition to the Free Port Warehouse Ad Valorem Tax Exemption, the County agrees to grant to Nissan the personal property tax exemption, authorized by Mississippi Code Section 27-31-7, from all personal property taxes, excepting school district taxes, on the Project finished goods inventory for ten (10) years upon the submission by Nissan of a proper application pursuant to Mississippi law.

(vi) Special Levies

The County agrees that no special levies in the nature of taxes, franchise fees or special assessments will be imposed against Nissan or the Project (which are not imposed against all taxpayers generally) for a period of thirty (30) years.

(vii) Information furnished

The County agrees to provide information available under [redacted]
[redacted]
[redacted]

EXHIBIT "C"

<u>PERSONAL PROPERTY</u>		<u>True Value*</u>
Special Tooling (See Exhibit "C-1")	\$	<u>822,874.08</u>
Manufacturing Machinery and Equipment (See Exhibit "C-1")	\$	<u>5,071,100.12</u>
IT Equipment (See Exhibit "C-1")	\$	<u>50,046.19</u>
TOTAL PERSONAL PROPERTY TRUE VALUE	\$	<u>5,944,020.39</u>

* * These values are merely estimates based on original cost, and certain portions of these values are merely estimates based on actual costs, less applicable depreciation to the extent such property was used by Applicant outside of Mississippi prior to the transfer to, and use of, such property in Mississippi by Applicant in 2016. The appraisal values may be different and must be determined with the assistance of the Tax Assessor's office. The exemptions granted herein shall apply to the appraised / true values so determined.

EXHIBIT "C-1"

See attached worksheet entitled:

"Tower Automotive Operations USA I, LLC

Madison County, Mississippi

2016 Asset Additions (New and Transfers In) as of December 31, 2016"

EXHIBIT "C-1"

Tower Automotive Operations USA I, LLC

Madison County, Mississippi

2016 Asset Additions (New and Transfers In) as of December 31, 2016

<u>Sys No</u>	<u>Co Asset No</u>	<u>G/L Asset Acct No</u>	<u>Acquisition Date</u>	<u>Description</u>	<u>Acquired Value</u>
Special Tooling (3yr life):					
002285	Not Taggable	1471	2/1/2016	QW Clip Line Racks (20)	\$ 54,000.00
002336	Not Taggable	1471	8/1/2016	Check Fixtures - Titan 150	\$ 27,090.00
002337	Not Taggable	1471	8/1/2016	WIP Racks, Containers, Totes - Titan 150	\$ 741,784.08
Total - Special Tooling (3yr life)					\$ 822,874.08
Manufacturing Machinery & Equipment:					
002314	11904	1471	9/1/2016	Panel View Plus	\$ 49,294.31
002315	11905	1471	9/1/2016	Welder	\$ 30,781.05
002316	11906	1471	9/1/2016	Main Enclosure	\$ 79,792.01
002319	Not Taggable	1471	9/1/2016	Van Line Transfer System	\$ 233,202.59
002330	Not Taggable	1471	8/1/2016	Re-Kit, Upgrade 150 Line for New Frame	\$ 4,125,750.94
002331	11771	1471	8/1/2016	Tugger, Stock Chaser	\$ 10,315.50
002332	11772	1471	8/1/2016	Tugger, Stock Chaser	\$ 10,315.50
002333	11773	1471	8/1/2016	Trailer, 4 Wheel	\$ 2,191.50
002334	Not Taggable	1471	8/1/2016	Weld Exhaust System - Titan 150	\$ 227,142.57
002335	Not Taggable	1471	8/1/2016	Front Clip Carts - Titan 150	\$ 54,560.52
002338	Not Taggable	1471	8/1/2016	Critical Spares - Nissan Titan 150	\$ 243,370.63
002340	11737	1471	8/1/2016	Trailer, 4 Wheel	\$ 2,191.50
002341	11767	1471	8/1/2016	Trailer, 4 Wheel	\$ 2,191.50
Total - Manufacturing Machinery & Equipment					\$ 5,071,100.12
IT Equipment:					
002599		1441	6/1/2016	NetBotz Room	1,598.22
002625		1441	7/1/2016	APC Smart UPS	8,421.95
002631		1441	7/1/2016	Catslyst WS-C2	2,405.85
002632		1441	7/1/2016	Catslyst WS-C2	2,405.85
002633		1441	7/1/2016	Catslyst WS-C2	2,405.85
002634		1441	7/1/2016	Catalyst WS-C2	1,422.21
002668		1441	9/1/2016	Dell PowerEdge	4,916.40
002830		1441	11/1/2016	Dell Latitude E5	1,319.59
002887		1441	12/1/2016	MS Surface Pro	807.35
002659		1461	8/1/2016	CISCO Voip Ph	24,342.92
Total - IT Equipment					\$ 50,046.19
GRAND TOTAL					\$ 5,944,020.39

ORIGINAL

POSITION STATEMENT OF TAX ASSESSOR

EXEMPTION OF REALTY AND/OR PERSONAL PROPERTY

TRADE NAME OF APPLICANT: Tower Automotive Operations USA I, LLC

LOCATION: 440 Church Road, Madison, Mississippi 39110

EXEMPTION RELATES TO MISS. CODE OF 1972, SECTION: 27-31-105

TYPE OF BUSINESS: Automotive parts manufacturer (Nissan supplier)

FINISHED PRODUCTS ARE: Motor vehicle frames and related products

STATE THE ENUMERATION THIS APPLICATION IDENTIFIES WITH: Manufacturing equipment and related items comprising expansion of facility

HAS THIS ENTERPRISE ENJOYED AN EXEMPTION PREVIOUSLY? (YES/NO) Yes

UNDER ANY OTHER TRADE NAME? (YES/NO) Yes – Tower Automotive Products Company, Inc. and Tower Automotive Operations USA II, LLC.

ANY OTHER LOCATION? (YES/NO) Yes, a facility in Lauderdale County, Mississippi

UNDER ANY OTHER OWNERSHIP? The exemptions previously granted to Applicant were granted to its predecessor-in-interest, Tower Automotive Products Company, Inc., which filed for Chapter 11 bankruptcy protection. Applicant was formed as part of the bankruptcy proceeding as the surviving (post-bankruptcy) company, and effective as of July 31, 2007, was assigned and assumed all of the assets of Tower Automotive Products Company, Inc., including those assets located at 440 Church Road, Madison, Mississippi 39110. On December 31, 2011, Tower Automotive Operations USA II, LLC was merged with and into Applicant, with Applicant as the surviving entity which was assigned and assumed all of the assets of Tower Automotive Operations USA II, LLC, including those assets located at 440 Church Road, Madison, Mississippi 39110

NUMBER OF NEW JOBS CREATED WITHIN 1 YEAR? N/A per guidelines – Nissan supplier (10 JOB MINIMUM)

AVERAGE WAGE PAID TO NEW EMPLOYEES: N/A per guidelines – Nissan supplier

ESTIMATED ANNUAL PAYROLL: N/A per guidelines – Nissan supplier

CAPITAL INVESTMENT (200K MINIMUM); \$5,944,020.39 – Expansion Only

IF APPLICABLE, AMOUNT OF FUNDS SPENT ON RENOVATION OF FACILITY TO BE OCCUPIED: N/A per guidelines – Nissan supplier CONSTRUCTION PERIOD (MONTHS) _____

YEARS OF OPERATION AT CURRENT SITE (APPLIES TO EXPANSION): Ten (10) years since the original facility was completed and placed into service, and less than one (1) year since the Expansion was completed.

AVERAGE ANNUAL NUMBER OF EMPLOYEES (APPLIES TO EXPANSION): N/A per guidelines – Nissan supplier

NUMBER OF CONSTRUCTION RELATED EMPLOYEES (CONTRACTOR JOBS): N/A per guidelines – Nissan supplier

EXEMPTION TO BE ON:

LAND: (YES NO) No VALUE N/A
IMPROVEMENTS: (YES NO) Yes VALUE N/A

PERSONAL PROPERTY:

LEASEHOLD INTEREST	VALUE	<u>0</u>
FURN. & FIX	VALUE	<u>0</u>
MACH. EQUIP.	VALUE	<u>\$5,944,020.39</u>
RAW MATERIALS	VALUE	<u>0</u>
WORK IN PROCESS	VALUE	<u>0</u>
PERSONAL PROPERTY TOTAL:		<u>\$5,944,020.39</u>
EXEMPTION TOTAL VALUE:		<u>\$5,944,020.39</u>

LAND AND IMPROVEMENTS:

OWNER OF LAND: Eastgroup TRS, Inc.

OWNER OF IMPROVEMENTS: Tower Automotive Operations USA I, LLC

DATE OF IMPROVEMENTS: COMPLETED: N/A EXPANDED:

ANY PRIOR EXEMPTION: Yes – Initial exemptions granted in 2004 for land, new manufacturing facility and improvements, manufacturing equipment and other tangible personal property; and subsequent exemptions granted in 2011, 2012, 2015 and 2016 for substantial expansion of manufacturing equipment and other tangible personal property.

YEARS OF EXEMPTION APPLIED FOR: 2017 THRU 2026

APPLICANT'S REPRESENTATIVE: Christopher S. Pace, Jones Walker, LLP

ADDRESS: P. O. Box 427, Jackson, MS 39205-0427; Telephone: 601-949-4839

INVESTIGATED BY: IHF 3-1-17

AMOUNT PAID WITHOUT EXEMPTION:

COMMENTS: Reviewed & appears to be in order to process

DATE: 3/27/17

TAX ASSESSOR:

James A. Combs Jr.