



Columbus, Georgia, Board of Tax Assessors

GEORGIA'S FIRST CONSOLIDATED GOVERNMENT

City Services Center
3111 Citizens Way
Columbus, GA 31906

Mailing Address:
PO Box 1340
Columbus, GA 31902

Telephone (706) 653-4398, 4402
Fax (706) 225-3800

Board Members

Jayne Govar
Chairman

Lanitra Sandifer Hicks
Assessor

Kathy J. Jones
Assessor

Todd A. Hammonds
Assessor

Trey Carmack
Vice Chairman

Chief Appraiser
Suzanne Widenhouse

January 26, 2024

NOTICE TO COLUMBUS CITY COUNCIL

RE: Update to prior notice of August 1, 2023, October 2, 2023, and December 18, 2023, Tax Abatement Agreement on 2023 Series Bonds

The tax abatement agreement with Raytheon Technologies, Pratt & Whitney Division is no longer in place.

The Board of Tax Assessors received another request thru the Development Authority to modify the agreement changing the timing of the bond issuance, number of years the agreement would be in place, how long they would have to complete the project, and changing the terms of verifying compliance.

The Board of Assessors remains open to approving the agreement once the language and terms can be decided to the satisfaction of all parties involved.

Respectfully,

Suzanne Widenhouse
Chief Appraiser
Secretary, Muscogee County Board of Assessors

ATT: Notice to Council – August 1, 2023, October 2, 2023 and December 18, 2023

"An Equal Opportunity / Affirmative Action Organization"

MEMBERS: Georgia Association of Assessing Officials, International Association of Assessing Officials



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August 1, 2023

Notice To Columbus City Council:

In accordance with Council Resolution 218-23, the Board of Tax Assessors hereby gives notice of the approval of tax abatements for Raytheon Technologies Corporation, Pratt & Whitney Division.

The abatement was approved July 17, 2023, for Georgia Taxable Revenue Bonds, Series 2023 bonds, not to exceed \$146,400,000. Exhibit A indicates the breakdown of investment for tax years 2023 and 2024, between real and personal property.

As indicated in Exhibit B, personal property will be abated at a rate of 100% for the first 3 years, 70% for years 4 and 5, and 50% for the remaining 5 years. At the end of the 10 years, the personal property will be valued in accordance with the Georgia Department of Revenue's Appraisal Procedures Manual and valued at 100% of the depreciated value.

The Board of Assessors reserves the right to review the project at the end of each of tax year, beginning the year following the completion of the project. The review shall determine if the project sustains the requirements to qualify for the abatement. Exhibit C outlines the calculations for average actual performance and repayment amount.

Respectfully,

Suzanne Widenhouse
Chief Appraiser
Secretary, Muscogee County Board of Assessors

Att: Exhibits A, B and C

EXHIBIT "A"

	2023	2024
Personal Property (M&E)	\$114,700,000	\$ 31,700,000
Real Property (Buildings)	\$ N/A	\$ N/A
Total	\$146,400,000	

EXHIBIT "B"

PRATT-WHITNEY TAX SAVINGS

Level I Project

Real Property Savings

100% - First 3 Years
50% - Years 4-20

Personal Property Savings

100% - First 3 Years
70% - Years 4 & 5
50% - Years 6-10
Fully Taxable - Years 11+

EXHIBIT "C"

**Commitment and Calculation
of Repayment Amount**

Average Actual Performance

Commitment:

By the Commitment Date, the Company will have hired not less than 156 new permanent full-time employees, and shall have made private capital investment in the Project of not less than One Hundred Forty-Six Million Four Hundred Thousand Dollars (\$146,400,000).

The Average Actual Performance shall be determined by the following formula

STEP 1

$$\frac{\text{Actual Jobs Created } 124}{\text{Committed Number of Jobs } 156} = 79.5\% \text{ Percentage of Committed Jobs Created}$$

$$\frac{\text{Actual Capital Investment } \$128,10,000}{\text{Committed Capital Investment } \$146,400,000} = 87.5\% \text{ Percentage of Committed New Investment}$$

STEP 2

	79.5%	Percentage of Committed Jobs
+	87.5%	<u>Percentage of Committed New Investment</u>
=	167.0%	Percentage of Commitments Met

STEP 3

$$\frac{167.0\% \text{ Percentage of Commitment Met}}{2} = 83.5\% \text{ Average Actual Performance}$$

No Repayment Required if Average Actual Performance (jobs and capital investment) is more than 80%



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October 2, 2023

NOTICE TO COLUMBUS CITY COUNCIL

RE: Update to prior notice of August 1, 2023, Tax Abatement Agreement on 2023 Series Bonds

The tax abatement agreement with Raytheon Technologies, Pratt & Whitney Division is no longer in place.

The Board of Tax Assessors received a request thru the Development Authority to modify the agreement changing the number of years the agreement would be in place, how long they would have to complete the project, and changing the terms of verifying compliance and removing any reference to remedy in the event of non-compliance. After much discussion, the Board of Assessors decided not to amend the agreement.

The Board of Assessors remains open to approving the prior agreement should RTX (formerly Raytheon Technologies) wish to move forward with the terms as previously defined.

Respectfully,

Suzanne Widenhouse
Chief Appraiser
Secretary, Muscogee County Board of Assessors

ATT: Notice to Council – August 1, 2023

"An Equal Opportunity / Affirmative Action Organization"

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December 18, 2023

NOTICE TO COLUMBUS CITY COUNCIL

RE: Update to prior notices of August 1, 2023, and October 2, 2023, Tax Abatement Agreement on 2023 Series Bonds

The Board of Tax Assessors has approved a tax abatement agreement with Raytheon Technologies, Pratt & Whitney Division for Georgia Taxable Revenue Bonds, Series 2023 not to exceed \$146,400,000.

As indicated in the attached exhibits, the date of inducement, June 8, 2023, will be the baseline date for jobs fired. Personal property investment will be broken into 2 years and abated at a rate of 100% for the first 3 years, 70% for years 4 and 5, and 50% for the remaining 5 years. Personal property will be fully taxable beginning year 11.

The Board of Assessors reserves the right to review the project at the end of each tax year, beginning the year following the completion of the project. The review shall determine if the project sustains the requirements to qualify for the abatement. Exhibit C outlines the calculations for the average actual performance and repayment amount in the event they fail to fully qualify.

Respectfully,

Suzanne Widenhouse
Chief Appraiser
Secretary, Muscogee County Board of Assessors

ATT: Notice to Council – August 1, 2023
Notice to Council – October 2, 2023
Agreement

"An Equal Opportunity / Affirmative Action Organization"

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October 2, 2023

NOTICE TO COLUMBUS CITY COUNCIL

RE: Update to prior notice of August 1, 2023, Tax Abatement Agreement on 2023 Series Bonds

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The Board of Tax Assessors received a request thru the Development Authority to modify the agreement changing the number of years the agreement would be in place, how long they would have to complete the project, and changing the terms of verifying compliance and removing any reference to remedy in the event of non-compliance. After much discussion, the Board of Assessors decided not to amend the agreement.

The Board of Assessors remains open to approving the prior agreement should RTX (formerly Raytheon Technologies) wish to move forward with the terms as previously defined.

Respectfully,



Suzanne Widenhouse
Chief Appraiser
Secretary, Muscogee County Board of Assessors

ATT: Notice to Council – August 1, 2023



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August 1, 2023

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As indicated in Exhibit B, personal property will be abated at a rate of 100% for the first 3 years, 70% for years 4 and 5, and 50% for the remaining 5 years. At the end of the 10 years, the personal property will be valued in accordance with the Georgia Department of Revenue's Appraisal Procedures Manual and valued at 100% of the depreciated value.

The Board of Assessors reserves the right to review the project at the end of each of tax year, beginning the year following the completion of the project. The review shall determine if the project sustains the requirements to qualify for the abatement. Exhibit C outlines the calculations for average actual performance and repayment amount.

Respectfully,



Suzanne Widenhouse
Chief Appraiser
Secretary, Muscogee County Board of Assessors

Att: Exhibits A, B and C

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EXHIBIT "A"

	2023	2024
Personal Property (M&E)	\$114,700,000	\$ 31,700,000
Real Property (Buildings)	\$ N/A	\$ N/A
Total	\$146,400,000	

EXHIBIT "B"

PRATT-WHITNEY TAX SAVINGS

Level I Project

Real Property Savings

100% - First 3 Years
50% - Years 4-20

Personal Property Savings

100% - First 3 Years
70% - Years 4 & 5
50% - Years 6-10
Fully Taxable - Years 11+

EXHIBIT "C"

**Commitment and Calculation
of Repayment Amount**

Average Actual Performance

Commitment:

By the Commitment Date, the Company will have hired not less than 156 new permanent full-time employees, and shall have made private capital investment in the Project of not less than One Hundred Forty-Six Million Four Hundred Thousand Dollars (\$146,400,000).

The Average Actual Performance shall be determined by the following formula

STEP 1

$$\frac{\text{Actual Jobs Created } 124}{\text{Committed Number of Jobs } 156} = 79.5\% \text{ Percentage of Committed Jobs Created}$$

$$\frac{\text{Actual Capital Investment } \$128,10,000}{\text{Committed Capital Investment } \$146,400,000} = 87.5\% \text{ Percentage of Committed New Investment}$$

STEP 2

	79.5%	Percentage of Committed Jobs
+	87.5%	Percentage of Committed New Investment
=	167.0%	Percentage of Commitments Met

STEP 3

$$\frac{167.0\% \text{ Percentage of Commitment Met}}{2} = 83.5\% \text{ Average Actual Performance}$$

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Suzanne Widenhouse

December 11, 2023

RTX Corporation,
Pratt & Whitney Division
8801 Macon Road
Columbus, Georgia 31908
Attn: General Manager

Mr. Heath Schondelmeyer, Chairman
DEVELOPMENT AUTHORITY OF COLUMBUS, GEORGIA
Post Office Box 1200
Columbus, Georgia 31902

Re: Not to Exceed a total of \$146,400,000 of Development Authority of Columbus,
Georgia Taxable Revenue Bonds (Pratt Whitney Forge Project), Series 2023 (the
"Bonds")

Dear Ladies and Gentlemen:

We understand that the Development Authority of Columbus, Georgia (the "Authority"), intends to issue the Bonds to finance the acquisition and installation of machinery, equipment, and other personal property (the "Business Personal Property"), located in Columbus, Muscogee County, Georgia at 8801 Macon Road, Columbus, Georgia (the "Project") which will be titled in the name of the Authority and leased to RTX Corporation, Pratt & Whitney Division (the "Company"), pursuant to a Lease Agreement to be entered into simultaneously with the issuance of the Bonds (the "Lease"). The term of the Lease will be for a period not to exceed twenty (20) years,

This letter¹ is in response to the request from the Authority confirming the valuation for ad valorem tax purposes of the Company's leasehold interest in the Project pursuant to the Lease. The Columbus, Georgia, Board of Tax Assessors (the "BOTA") hereby acknowledges and agrees that the fair market value of the Company's leasehold interest in the Project during the term of the Lease

1

Capitalized terms not specifically defined herein are as defined in the Georgia Department of Revenue Appraisal Procedures Manual

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shall be determined for ad valorem taxation purposes as herein set forth. The BOTAs' agreement as set forth herein is contingent upon and subject to the Lease being executed by all parties within eighteen (18) months from the date of this letter, unless otherwise provided. Additionally, the BOTAs must receive from the Company a properly completed and executed Certification in the form attached hereto as Exhibit "B", which shall include an annual Personal Property Return and supporting documentation and a statement certifying that the machinery, equipment and other personal property has been maintained in a reasonable and customary manner, on or before April 1 of each tax digest year until Project completion. Such submissions shall be complete, accurate, and timely submitted. Amendments shall be addressed individually, in accordance with the scope and Level of the Project. If the Company fails to timely file complete and accurate Certificates, the Company may be subject to audit with potential adjustments to valuation.

Business Personal Property consists of furniture, fixtures, machinery, and equipment in the hands of the final user, the Company, and all the direct costs incurred by the Company associated with acquiring, transporting and installing such property at the site where it is to be used. This includes the historical cost of Business Personal Property at the time it was first put into service new, the cost of transporting the Business Personal Property to its present site, the cost of any on-site assembly or customized modification of the Business Personal Property, the cost of installing the Business Personal Property, the cost of installing personal fixtures and trade fixtures necessary for the proper operation of the Business Personal Property, and any sales or use tax paid on the Business Personal Property. Original cost new is equivalent to original Business cost if the property owner were the first to put the Business Personal Property into service.

The Current Fair Market Value of Business Personal Property as defined herein shall be that value carried on the records of the BOTAs for the calendar year (the "Tax Year") in which the Lease from the Authority to the Company is applicable. The first Tax Year with respect to the Business Personal Property shall mean the calendar year subsequent to when such Personal Property was first acquired and installed in/on the Project.

The applicable Current Fair Market Value of the Leasehold Interest Percentage shown for Business Personal Property in the 'Value of the Leasehold Interest Table as a Percentage of Current Fair Market Value' (attached as Exhibit "A") shall continue for Tax Years 2024 to and including 2033. For the avoidance of doubt, the parties agree that during the term of the Lease the Company shall be allowed to depreciate the Business Personal Property which is being leased. Thereafter, the Business Personal Property shall be returned annually using the appropriate depreciation schedule in accordance with the Georgia Department of Revenue's Appraisal Procedures Manual and valued at 100% of the depreciated value.

Based on the Project's location and type and the Company's current estimates of (i) its capital investment associated with the acquisition, and equipping of the Project, and (ii) the number, salary level, type (e.g., full-time, part-time, construction, etc.) and timing of the creation of the jobs related to the Project, the BOTAs has determined that the Project will constitute a Level I project under its standard incentive level guidelines. As a Level I project, the Project will receive tax savings based on the percentages listed on BOTAs Exhibit "A" (the "Tax Percentages Savings"). The BOTAs and the Authority reserve the right to review the Project as of the end of the second Tax Year following the Tax Year in which the Project's production output commences in order to determine whether the Project constitutes a Level I project under the Incentive Guidelines. If any such review results in a determination that the Project does not qualify as a Level I project, but does qualify for another lower project level, the Tax Percentages applicable to such other project level shall be applied on a

prospective basis only beginning in the third Tax Year following the Tax Year in which the Project's production output commences. In the event the Actual Average Performance (defined below) is less than 80% on the Commitment Date ("Commitment Date" means the 3rd anniversary of the day production at the facility begins), the incentives are subject to being revoked, and, if entirely revoked, the Project shall return to full taxation on a prospective basis.

If at any time during the term of the Lease the Authority makes the determination that the Company is non-compliant with the requirements of its Lease between the Authority and the Company regarding the maintenance and condition of the Business Personal Property, the Authority will promptly notify the Company and grant the Company a commercially reasonable time (not to exceed six (6) months) to cure the non-compliance. If the non-compliance is not cured within such time period, the Authority shall notify the BOTA which will then provide the Company written notification of the BOTA's intent to suspend all tax and assessments benefits as described herein, such suspension to be effective the digest year following the date of such notice from the BOTA. The suspension of the tax and assessment benefits will terminate the digest year following the Company's compliance with the terms and conditions of the Lease.

Upon termination of the Lease the Authority shall provide the BOTA with evidence of the reconveyance of the Business Personal Property to the Company in the Tax Year of such termination.

The Board of Tax Assessors and the Authority reserve the right to review the Project as of the end of each Tax Year following the year the Project's production output commences. This review shall determine whether the Project is meeting the requirements required to qualify for the incentives. If such review, which shall be conducted in accordance with Section 4.1(c) of the Project Agreement between the Company and the Authority dated June 15, 2023, results in a determination that the Project no longer qualifies, then the future taxation of the Project may be impacted, on a prospective basis only, beginning no sooner than the third Tax Year following the year the Project's production output commences. In the event the Company fails to achieve and maintain an Actual Average Performance in excess of 50% of its Commitment for any year after the Commitment Date, the abatement is subject to being revoked, and the Project shall return to full taxation on a prospective basis, beginning with the Tax Year immediately following the Tax Year in which the Project failed to meet 50% Actual Average Performance. "Actual Average Performance" is determined by taking the sum of: (i) the actual jobs created divided by the Company jobs commitment plus (ii) the total of new investment divided by the Company investment commitment (maximum of 1.00), and dividing such sum by two (2), as set forth on Exhibit "C".

Any portion of the Project not financed through the Bonds shall be fully taxable and shall not be subject to the terms of this agreement.

You are welcomed and encouraged to contact the BOTA if there are any questions concerning this matter. Please confirm your agreement to the foregoing by fully executing and returning this letter.

Very truly yours,

COLUMBUS, GEORGIA, BOARD OF ASSESSORS

By:


Chairman

Read and Agreed to:

"Company"

RTX Corporation,
Pratt & Whitney Division

By: _____
Name: _____
Title: _____

"Authority"

DEVELOPMENT AUTHORITY OF COLUMBUS, GEORGIA

By: _____
Heath Schondelmeyer, Chairman

Attachments: BOTA Exhibit A, VALUE OF LEASEHOLD INTEREST TABLE FOR
ASSESSMENT PURPOSES; TAX SAVINGS

BOTA Exhibit B, CERTIFICATION TO BOARD OF TAX ASSESSORS

BOTA Exhibit C, Commitment and Calculation of Reduction Amount — Average
Actual Performance

EXHIBIT "A"
VALUE OF LEASEHOLD INTEREST TABLE FOR ASSESSMENT PURPOSES

	2023	2024
Personal Property (M&E)	\$114,700,000	\$31,700,000

PRATT-WHITNEY TAX SAVINGS

Level I Project

Business Personal Property Savings 100% — First 3 Years
70% - Years 4 & 5
50% - Years 6-10

EXHIBIT "B"
CERTIFICATION TO BOARD OF TAX ASSESSORS

RE: Development Authority of Columbus, Georgia Industrial Revenue Bonds

Project: _____
Series: _____
Personal Prop Account # _____
Real Prop Parcel # _____
Bond Face Amount _____

The undersigned, on behalf of _____ hereby certifies that as of January 1, 20____, the Company has drawn from the proceeds of the Bonds a total of \$ _____, for the following uses in connection with the project being financed by the Bonds Project:

Land, Building, and Improvements to REAL PROPERTY
\$ _____

Machinery, Equipment and Items of PERSONAL PROPERTY
\$ _____

The Project has generated and/or retained jobs for the community:

Total Full Time Jobs as of January 1 of current year _____

Baseline Full Time Jobs from date of Inducement Resolution _____

The Company understands that the Board of Tax Assessors will use the foregoing information in connection with the determination of the assessment of the interest of the Company in the Project for taxation purposes, and the failure to complete and timely file this Certification on or before April 1 for the current Tax Year may result in the taxation of the Project for said year and for Tax Years thereafter without regard to the understanding set forth in the correspondence between the Board of Tax Assessors, the Company, and the Development Authority.

The foregoing expenditures [__do] [__do not] represent all of the proceeds of the captioned bonds to be expended for the Project. There [__will] [__will not] be further expenditures in connection with this Project from the proceeds of the Bonds in subsequent years.

Dated the ____ Day of _____, 20____.

[Name of Company]

By _____

EXHIBIT "C"

**Commitment and Calculation of Reduction Amount
Average Actual Performance**

Commitment:

By the Commitment Date, the Company will have hired not less than 156 new permanent full-time employees, and shall have made private capital investment in the Project of not less than One Hundred Forty-Six Million Four Hundred Thousand Dollars (\$146,400,000) which includes hirings and capitalized costs incurred from June 8, 2023.

The Average Actual Performance shall be determined by the following formula

STEP 1

$$\frac{\text{Actual Jobs Created } 124}{\text{Committed Number of Jobs } 156} = 79.5\% \text{ Percentage of Committed Jobs Created}$$

$$\frac{\text{Actual Capital Investment } \$128,10,000}{\text{Committed Capital Investment } \$146,400,000} = 87.5\% \text{ Percentage of Committed New Investment}$$

STEP 2

79.5%	Percentage of Committed Jobs
87.5%	Percentage of Committed New Investment
167.0%	Percentage of Commitments Met

STEP 3

$$\frac{167.0\% \text{ Percentage of Commitment Met}}{2} = 83.5\% \text{ Average Actual Performance}$$

No Reduction Required if Average Actual Performance (jobs and capital investment) is more than 80%