



Press Release

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Two grant opportunities available for infrastructure in WCIP

JONESBOROUGH – Alicia Summers, vice president of business development for the Northeast Tennessee Regional Economic Partnership, will present two grant opportunities to the Washington County Board of Commissioners on Monday night.

Both opportunities, one for a roadway extension from inside the Washington County Industrial Park to a point near Blalock Road and a second that could secure funding for due diligence that would include a master plan and grading plans. These opportunities are available to Washington County in part because of the utilization of Payment-in-Lieu of Tax (PILOT) programs to land new manufacturers in the industrial park.

Summers will give the Board of Commissioners her annual report on how PILOT programs monitored through the Johnson City Industrial Development Board are performing. Commissioners requested the annual report primarily to ensure the job creation milestones of each project are met.

“PILOTs are necessary to keep us competitive in recruiting new industry to our region, and to some extent retaining the industry we have now,” explained Mayor Joe Grandy. “We need to know that the businesses to which we extend PILOT as an incentive are meeting those benchmarks for new job creation.”

Used as an incentive to recruit, expand and retain industry, PILOT offsets new taxes based on improvements to real property and the addition of personal property. While each PILOT is different, all are held to reporting requirements that include a targeted number of new jobs.

“Currently, three PILOT projects are reporting hitting or exceeding job creation benchmarks,” Summers said. “Three years into the agreements those companies have added more than 350 new jobs and have added an estimated \$13.5 million in annual wages to the local economy.”

Classified as an expansion project, Silverdale Partners is a \$6.6 million capital investment project spanning five years. It was projected to create 102 new jobs in five years when

its PILOT began in November 2016. Three years into its agreement, a total of 126 new jobs have been created, thus exceeding expectations.

LPI, Inc., a maker of saunas, tanning bed and hot tubs, received PILOT in 2017 as part of a recruitment incentive package. LPI has created 157 new jobs already out of the 290 its projected to create by 2025.

Mullican Flooring, a hardwood flooring manufacturer with its headquarters in Johnson City, utilized PILOT to expand its manufacturing facilities by acquiring an additional building. Like LPI, it is in year two of its agreement and added 68 new jobs with a goal of 200 by 2022.

“The significance of PILOTs is that success enables us to lay the groundwork and draw companies that expand opportunities,” Summers said. “We can now apply for grant opportunities like those we have presented tonight that are only available to us because of the success of companies attracted here with PILOTs.”