

**CITY OF OAK RIDGE, TENNESSEE  
INDUSTRIAL DEVELOPMENT BOARD  
GRANT PROCEDURE**

**Section I. General Purpose and Objectives\***

The City of Oak Ridge, Tennessee (the "City") is committed to improving the local business environment and economy. In furtherance of this objective, the Industrial Development Board of the City has established a Grant program to provide economic incentives to qualifying entities when the Board has assets for a Grant. This program is intended to attract and retain, on a basis competitive with other local governments, businesses that provide the types of employment, capital investment, community involvement and financial impact sought by the City for its citizens.

The Board has adopted this Procedure to guide the Board in considering and evaluating on a case-by-case basis whether particular projects in the City will be eligible for a Grant. This Procedure should not be construed to require the Board to approve a Grant for any Person. Granting an incentive is solely within the discretion of the Board acting within the parameters of this Procedure and the availability of assets.

Any Applicant for a Grant shall be required to submit an Application to the Board.

Projects must be worthy of Board Consideration.

**Section II. Conflicts of Interest**

Members of the IDB shall abide by the Code of Ethics as approved by the State and City of Oak Ridge

**Section III. Definitions**

For purposes of these Policies and Procedures, the following terms shall have the following meanings:

**"Applicant"** means the Person, with the authority to legally represent the entity, applying to the Board for a Grant incentive with respect to a Project.

**"Application"** means the application (Appendix A) submitted to the Board by an Applicant to receive a Grant.

**"Brownfield Site"** means a parcel of property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.

**"Economic Development Organization"** means the Oak Ridge Economic Partnership.

**"Economic Leakage"** means the loss of sales and sales tax revenue from one community to a neighboring community.

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\* Capitalized terms used in these Policies and Procedures that are not otherwise defined shall have the meanings given to such terms in Section III.

**"Energy Efficiency Building"** is a building that meets or exceeds certified energy efficiency standards such as LEED®, Leadership in Energy and Environmental Design.

**"Expansion"** means the addition of buildings, structures, machinery and/or equipment for the purpose of expanding a Project.

**"FTZ"** means Foreign Trade Zone #148.

**"Governmental Authority"** means the United States, the State of Tennessee, any political subdivision of either, and any agency, department, commission, board, bureau or instrumentality of any of them.

**"Grant"** means a cash award to be used toward the completion of a Project

**"Outright Grant"** means Participant is given a cash award without contributing financially to the completion of the Project

**"Greyfield"** means any previously developed property that does not have known environmental contaminants but is economically nonviable in its current state and has conditions that significantly complicate its redevelopment or reuse, as determined by the Board.

**"Grant Agreement"** means the agreement between the Applicant and the Board pursuant to which the Board provides a Grant to the Applicant and agrees upon the terms.

**"Local Company"** is a company that (i) has its principal office within the City, (ii) operates one of its principal facilities in the City, or (iii) has a significant executive and management presence in the City.

**"MOU" (Memorandum of Understanding)** means the signed document that outlines all the pertinent terms and conditions required to develop the Grant agreement.

**"National Corporate Headquarters"** means a Project that meets the following criteria as determined by the Board:

- (i) The entity occupying the Project must be a business of regional or national significance;
- (ii) A significant percentage, as determined by the Board, of the decision-making officers or employees of such entity must work and maintain their primary offices at the proposed Project;
- (iii) The Project will be the office location of a majority of the management employees of such entity; and
- (iv) The entity must make a significant financial commitment, as determined by the Board, to construct or improve the Project.

**"Person"** means any individual, sole proprietorship, corporation, limited liability company (LLC), association, partnership (general, limited, or limited liability partnership), organization, business, trustee, individual or government or political subdivision thereof or any governmental agency, with the legal authority to submit an application for a Grant incentive.

**"Project"** means the acquisition, construction and/or improvement of land, buildings, structures, machinery, equipment and related improvements as described in an Application. A Project may include any Expansion that an Applicant commits to commence within three (3) years of the execution of the Applicant's Lease Agreement. Any Expansion undertaken after such date will require a new Application to be filed with the Board with respect to the Expansion. A Project must be located on a single tract of property or contiguous tracts of property.

**"Speculative Buildings"** means construction of a building with no formal commitment from an end user for the finished building.

#### **Section IV. Grant Amount, Grant Type, and Application of Evaluation Matrix**

##### Grant Amount

If an Applicant is approved for a Grant incentive, the amount of the Grant shall be at the discretion of the Board utilizing this procedure and Appendix B as guidelines. The maximum Grant amount shall be \$100,000. Before approval of any Grant the Board shall determine that the necessary assets are available.

Note: Grants outside the guidelines of Appendix B shall have unanimous approval of the Board members present to vote at a regularly scheduled meeting.

##### Application of Evaluation Matrix

The Evaluation Matrix attached as Appendix B is intended to provide objective criteria for the Board to assist in determining the amount of the Grant, if any, with respect to a Project. The Board may consider other special circumstances as it deems relevant in Grant amount with respect to a particular Project, provided, however, in no event shall the Board award more than 30 points in the aggregate under the Evaluation Matrix.

Normally, the evaluation matrix will be for a three year period.

##### Grant Evaluation Matrix (Appendix B)

The matrix is intended to provide objective criteria for the Board to assist in determining the amount of the Grant, specific to each Project.

The following is a brief discussion of each criterion, which discussion is intended to provide guidance as to how each criterion will be applied by the Board:

1. **New Jobs** – The number of new jobs will be based upon estimates to be provided by the Applicant and the Boards may obtain other information as required. The estimate of new jobs will be based upon the number of new jobs that are anticipated to exist at the Project site three years after completion of the Project. Permanent full-time, full-time equivalent, seasonal, and contract jobs will be considered by the Board, but part-time employment will be appropriately weighted by the Board.
2. **Wages** – The average annualized wage that is to be paid by an Applicant, as compared to the existing per capita income published by the Tennessee Department of Employment Security for the Local Governments, will be a relevant factor in the Board's consideration of an Application. An Applicant who pays an average annualized wage that surpasses 170% of the per capita income for the Local Governments

may be given special consideration points. All special consideration points will be awarded at the Board's discretion.

3. **Capital Investment** – The Board will consider any Capital expenditure made by the Applicant in a Project. Special consideration on a case-by-case basis will be used to increase points to Applicants who are making more than \$30 million in capital expenditures. The Matrix utilized by the Oak Ridge Board includes points for buildings certified as energy efficient, such as LEED®.
4. **Location** – The location of a Project within any of the following areas will be a favorable factor:
  - Designated Brownfield
  - The FTZ
  - Any vacant existing business facility
5. **Residency of new employees** – The expected location of the residences of the employees at the Project site, as represented by the Applicant, within the City will be a favorable consideration. For purposes of applying this factor, residency at any location within the City, will be considered.

#### **Section V. Post-Closing Monitoring**

In order to assist the Board in determining compliance with the Grant Agreement and in gathering information to help the Board evaluate the effectiveness of its Grant program, each Person who is a party to a Grant Agreement with the Board shall provide annually to the Board certain information in the manner described in the Grant Agreement, which information shall include, but not be limited to, the following:

1. **Capital Expenditures** – A list of all capital expenditures made with respect to the Project during the prior year.
2. **Employee Report** – To include at least the following:
  - a. Total number of employees
  - b. Total salaries
  - c. Number of employees who reside in the City
  - d. Total salaries of employees who reside in the City
  - e. List of jobs with job classifications in such form as is required by the Board.
3. **Vendor Support Report** – The gross dollars spent locally on supplier and professional service contracts during the prior year.
4. **Comparison Criteria Report** – A comparison of the Applicant's actual job creation, wages and capital expenditures with the Applicant's initial projections for job creation, wages and capital expenditures as shown in the Applicant's Application.

If any such report or other information obtained by the Board reveals that the Applicant has not complied with the Grant Agreement with respect to its employment, wage or capital expenditure commitments, the Board will have such remedies as are provided in the Grant Agreement. The specific remedies will be set out in the Grant Agreement, but, generally, if an Applicant fails in any year to meet the employment, wage or capital expenditure estimates provided in its Application and upon which the Evaluation Matrix was applied, the Applicant should expect that a portion of the Grant amount would be returned to the Board in addition to any other remedies that may be available under the Grant Agreement.

For example, if an Applicant was awarded \$100,000 and 100 points based upon the application of the Evaluation Matrix, extending over a three-year period and the report filed by an Applicant in the second year shows that the Applicant would only have been awarded 80 points for the relevant year based upon the actual facts, the Applicant would return to the Board one-third of 20% of the Grant amount.

#### **Section VI. Fees**

Any Person desiring that the Board consider providing a Grant incentive shall submit an Application to the Board in a form approved by the Board.

##### **Application Fees**

1. An Application fee of 1/2% of the Grant amount requested must be submitted with each completed Application.
2. Grant Amendment: If an Applicant requests an amendment to an existing Grant Agreement, the Applicant will pay a fee of \$1,000 at the time of the request.

#### **Section VII. Memorandum of Understanding**

When the Board approves a Grant incentive, a Memorandum of Understanding (MOU) will be developed, by the City Staff Representative, that outlines all pertinent terms and conditions of the incentive. The MOU will specify a date by which both the Board and the Applicant may anticipate an appropriate Grant Agreement to be executed. Signed by both the Chairman of the Board and the Applicant, the MOU will serve as the foundation upon which a formal lease document will be built. The following items may be included in the MOU, Grant amount, performance standards, reporting dates and recovery provisions.

#### **Section VIII. Assignment of Grant Agreement**

Grant Agreements will not be assignable without the prior consent of the Board. An Applicant seeking an assignment of an Agreement shall confer with the Board to determine the proper procedure in the specific transaction. The Board will then determine whether the assignment will be approved or whether a new Application should be filed by the assignee.

#### **Section IX. Board Decision Process**

Following receipt of the Grant Application, the Board will vote on the Applicant's request for a Grant incentive at a regularly scheduled Board meeting. A majority vote shall be required for grant approval. Grant proposals outside the guidelines of the Appendix A matrix shall require unanimous approval of all IDB members in attendance at the meeting.

#### **Section X. Miscellaneous**

These Policies and Procedures shall not be construed to create any type of contract or agreement between the Board and any third party, including any Applicant. Notwithstanding any provision of these Policies and Procedures to the contrary, the Board retains the right, in its sole discretion, not to enter into any Grant Agreement with any Applicant and not to approve any Application for a Grant incentive. If any Applicant does not enter into a Grant Agreement

with respect to a proposed Project within one year of the initial approval by the Board of the Applicant's Application for a Grant incentive, that Applicant's Application shall be deemed to be withdrawn, and the Applicant shall be required to resubmit a new Application if the Applicant wants the Board to continue to consider the Applicant's Project for a Grant incentive.

**Section XI. Modifications**

The Board may approve any modification of this Procedure by a majority vote at a scheduled meeting provided Board members are informed of the proposed modifications at least 48 hours in advance of the meeting.

**APPENDIX A**

**GRANT EVALUATION MATRIX**

Job Creation		Wages		Investment		Location		Residency		Maximum Grant Amount	
Maximum 30 Points		Maximum 30 Points		Maximum 55 Points		Maximum 10 Points		Maximum 75 Points		Refer to Notes 1, 2 & 3	
Points will be awarded for each new job to be created due to the project		that raise the Per Capita Income of the County as defined by the TN Department of Employment Security		Expenditures to be made by Applicant at Project Site		Firms locating in specific area of interest		Firms are encouraged to hire employees who reside within the City			
Criteria		Criteria		Criteria		Criteria		Criteria			
Jobs Created											
Number of Employees	Points	Wages	Points	Amount	Points	Number of Employees	Points	Total Score	\$		
1	2	120%	5	\$100,000	15	1	5	1	10	15	
16	4	130%	10	\$300,001	20	16	10	11	20	25	
31	6	140%	15	\$600,001	25	31	15	21	30	35	
46	8	150%	20	\$1,000,001	30	46	20	31	40	45	
61	10	160%	25	\$1,500,001	35	61	25	41	50	55	
76	12	170%+	30	\$2,000,001	40	76	30	51	60	65	
91	14			\$2,500,001	45	91	35	61	70	70	
106	16			\$3,000,001	50	106	40	71	80	75	
121	18			\$3,500,001	55	121	45	81	90	80	
136	20					136	50	91	100	85	
151	22					151	55	101	110	90	
166	24					166	60	111	120	95	
181	26					181	65	121	130+	100	
196	28					196	70				
211	30					211	75				

**AVAILABLE BONUS POINTS**

- 5 Points if project is a corporate headquarters
- 10 Points if building is certified for energy efficiency, such as LEED®.
- 10 Points if project locates in existing facility
- 10 Points if chief executive resides within the City of Oak Ridge

**Notes:**

- <sup>1</sup> Grant approval is at discretion of IDB
- <sup>2</sup> Grant amount is capped at \$100,000
- <sup>3</sup> % of project eligible for grant

**Appendix A**  
**Application for GRANT Assistance**  
**Industrial Development Board**  
**of the**  
**City of Oak Ridge, Tennessee**

**I. Applicant:**

Company Name: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_  
Federal Employer Identification Number: \_\_\_\_\_

Company Representative to be contacted:

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail address: \_\_\_\_\_

Description of Principal Business:

\_\_\_\_\_  
\_\_\_\_\_

SIC/NAICS (if known): \_\_\_\_\_ Legal Structure: \_\_\_\_\_

If a corporation, state of incorporation: \_\_\_\_\_

If foreign corporation, is it registered to do business in Tennessee? \_\_\_\_\_ Yes \_\_\_\_\_ No

**Principal Owner (if applicable):**

Company Name: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_  
Federal Employer Identification Number: \_\_\_\_\_

Company Representative to be contacted:

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail address: \_\_\_\_\_

Description of Principal Business:

\_\_\_\_\_  
\_\_\_\_\_

SIC/NAICS (if known): \_\_\_\_\_ Legal Structure: \_\_\_\_\_

If a corporation, state of incorporation: \_\_\_\_\_

If foreign corporation, is it registered to do business in Tennessee? \_\_\_\_\_ Yes \_\_\_\_\_ No



**II. Name and address of any of the following involved in the project:**

**Legal Counsel**

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail address: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail address: \_\_\_\_\_

**Project Engineer(s)**

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail address: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail address: \_\_\_\_\_

**Project Architect(s)**

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail address: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail address: \_\_\_\_\_

**General Contractor(s)**

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email address: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email address: \_\_\_\_\_

Does applicant or sponsor of the project have an application pending or intend to apply for industrial revenue bond financing for this or a similar project with any other board in the City of Oak Ridge?

Yes  No **If yes, please attach a detailed explanation.**

Does applicant or sponsor have present plans to incur indebtedness or other financial obligations, which would materially affect its financial condition other than the financing applied hereby?

Yes  No **If yes, please attach a detailed explanation.**

Does applicant or sponsor of the project know of any proposed or pending tender offers, mergers, or acquisitions by or affecting applicant or sponsor of the project or any other materially significant corporate event in any way affecting application or sponsor of the project?

Yes  No **If yes, please attach a detailed explanation.**

**III. Project Location/Ownership:**

Street address: \_\_\_\_\_

City: \_\_\_\_\_ County: \_\_\_\_\_ State: \_\_\_\_\_

Vicinity Map: *Please attach with general location of site shown.*

*Attach a copy of deed (or surveyor's description) detailing property's metes and bounds description or other legal description.*

Who owns the property at this time? \_\_\_\_\_

Does applicant have an option to purchase the property if not already owned by applicant?

Yes  No

Are there presently outstanding any options or liens with regard to the property?

Yes  No

Give a brief description of the activities to be performed at this location, including a description of products to be produced and/or services to be provided:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Current Zoning:

\_\_\_\_\_

Is the property zoned appropriately for intended use by this project?  Yes  No

**IV. Tax Information:**

Obtain the latest property tax statement from the Anderson or Roane County Assessor's Office (include both real and any existing tangible personal property).

**Real Property**

Tax parcel ID number (s): \_\_\_\_\_

Current assessment: \_\_\_\_\_

Current tax: \_\_\_\_\_

Will this project result in the subdivision of any current tax parcel? \_\_\_\_ Yes \_\_\_\_ No

**Tangible Personal Property**

Tax parcel ID number (s): \_\_\_\_\_

Current assessment: \_\_\_\_\_

Current tax: \_\_\_\_\_

Are there any assessments under appeal? \_\_\_\_ Yes \_\_\_\_ No

If yes, please describe:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**V. Capital Investment:**

Land: Acreage: \_\_\_\_\_ Cost: \$ \_\_\_\_\_

Site Preparation Cost: \$ \_\_\_\_\_

Real Property (Building): Square Footage \_\_\_\_\_ Cost: \$ \_\_\_\_\_

Personal Property Cost: \$ \_\_\_\_\_

Indicate total capital investment forecast by year:

Year 1: \$ \_\_\_\_\_

Year 2: \$ \_\_\_\_\_

Year 3: \$ \_\_\_\_\_

Briefly describe these investments (types of tangible personal property, type of site development planned for this location and other improvements):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**VI. Construction Estimate:**

Start Date: Month: \_\_\_\_\_ Year: \_\_\_\_\_

Completion Date: Month: \_\_\_\_\_ Year: \_\_\_\_\_

Describe any off-site infrastructure proposed for new public investments:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Describe below construction estimates and anticipated infrastructure requirements:

Water:

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Sanitary Sewer:

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Electric:

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Streets:

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Storm Sewer:

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Other:

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Have project utility requirements been reviewed by the appropriate local utility providers?

\_\_\_\_\_ Yes                  \_\_\_\_\_ No

Certified Energy Efficiency construction, such as LEED®:

Will project be Certified Energy Efficiency construction?      \_\_\_\_\_ Yes                  \_\_\_\_\_ No

If yes, Certification information shall be provided with your application.

All properties subject to this GRANT application will meet the Federal and State of Tennessee ADA (American with Disabilities Act) regulations at the time of construction. \_\_\_\_\_ Yes

**VII. Wages/Jobs/ Residency:**

Attach number of jobs listing by year, as formatted below, and the average per capita wages by major employment type category (Officials and Administrators, Professionals, Technicians, Protective Service Workers, Paraprofessionals, Administrative Support, Skilled Craft Workers, Service-Maintenance, Others).

<u>Year #1</u>	<u>Year #2</u>	<u>Year #3</u>
<u>Jobs # /Category/Salary</u>	<u>Jobs # /Category/Salary</u>	<u>Jobs# / Category/ Salary</u>

Additionally indicate number of employees living within the City of Oak Ridge by job category per years 1-3 including salary as formatted above.

Wages, jobs and residency requirements shall be achieved as set out in the PILOT agreement between the applicant and the Industrial Development Board. An annual report of achievement is required by December 31 each year for the term of the PILOT agreement.

**VIII. Environmental Impacts:**

*Attach a Phase I Environmental Audit or equivalent addressed to the Industrial Development Board. Discuss any environmental impacts created by the project.*

**IX. Type of Assistance Requested**

Grant (fully describe grant requested): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Justification for Grant request: (substantiate and fully describe the justification for this request): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**X. Financial Information:**

Attach copies of the most recent, preferably audited financial statements. If publicly held corporation, attach a certified statement of the corporation's net worth with corresponding disclosure notes as provided in the applicant's latest approved/audited financial statement.

**XI. Certifications:**

This application is made in order to induce the City of Oak Ridge, Tennessee and the Industrial Development Board of the City of Oak Ridge to grant financial incentives to applicant and sponsor. Applicant and sponsor represent and warrant that the statements contained herein or attached hereto are true and correct to the best of their knowledge and include all information materially significant to the board and its consideration of this application.

Applicant and sponsor have read and agree to comply with all requirements of the application procedures and policies of the City of Oak Ridge, Tennessee and the Industrial Development Board of the City of Oak Ridge. Applicant specifically agrees to pay all reasonable costs, fees and expenses incurred by the Board in connection with this application, whether or not the financial incentives are granted or this project built.

\_\_\_\_\_  
**Applicant**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Owner**

\_\_\_\_\_  
**Date**