

RESOLUTION AUTHORIZING THE UNION ROW TAX INCREMENT
FINANCING DISTRICT PHASE I

(UNION ROW TIF)

WHEREAS, Union Avenue is a gateway into the Core of Downtown Memphis; and

WHEREAS, Big River Partners, LLC (the “Developer”) owns or has under contract approximately 11 acres of property located generally on Union Avenue, Fourth Street, Gayoso Avenue and Danny Thomas Boulevard in Downtown Memphis, Shelby County, Tennessee (the “Union Row Project”)

WHEREAS, the property included in the Union Row Project currently contains improved and unimproved properties, many of which are vacant, and the Developer proposes, itself or through affiliates thereof, to redevelop the property to add residential, office, hotel, retail and parking facilities to the properties; and

WHEREAS, Tennessee Code Annotated §7-53-312 (the “Act”) provides that an Industrial Development Board, such as Memphis Center City Revenue Finance Corporation (“CCRFC”), may submit an economic impact plan to the municipality creating the Industrial Development Board that provides for distribution of incremental ad valorem property taxes to the Industrial Development Board to pay for certain improvements within the area subject to the Economic Impact Plan and Industrial Development Board’s indebtedness incurred in connection with the area subject to the Economic Impact Plan; and

WHEREAS, as detailed in the Economic Impact Plan for Union Row Phase I (the “Plan”) attached hereto as Exhibit “A”, the Developer intends to acquire land and make public infrastructure improvements within the Plan area, including without limitation streets, curbs, gutters, utilities, storm drainage facilities, sidewalks, landscaping, public parks and parking facilities; and

WHEREAS, the Developer has requested, in order for this project to be feasible, tax incentives in the form of 75% of tax increment property tax revenues (“TIF Revenues”) for a period of thirty (30) years received solely from the Plan area for use in accordance with Act; and

WHEREAS, the TIF Revenues will be used to pay the costs of the eligible improvements relating to the development of the Project in accordance with the Act; and

WHEREAS, CCRFC held a public hearing relating to the Plan on December 11, 2018, after publishing notice of such hearing in a newspaper of general circulation two (2) weeks prior to that date, a copy of which is attached as “Exhibit B,” in accordance with the Act;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Memphis as follows:

1. The Economic Impact Plan for Union Row Phase I, being in the interests of the citizens of Shelby County, Tennessee, is hereby approved as required by the Act.
2. All actions heretofore undertaken by the Mayor or his designee and other officials, employees, attorneys and agents of the City in furtherance of the intent of this resolution, and of the documents authorized by this resolution, are hereby ratified, confirmed and approved.
3. The Mayor or his designee and other appropriate officials of the City are hereby authorized to enter into such agreements, and they and other appropriate employees of the City are hereby authorized to execute such certificates or other documents and take such other actions, as may be necessary or appropriate to carry out the intent of this resolution.

Adopted this 11th day of December, 2018.

MEMPHIS CENTER CITY REVENUE
FINANCE CORPORATION

By: _____

Title: _____

EXHIBIT A

Economic Impact Plan

See attached.

MEMPHIS CENTER CITY REVENUE FINANCE CORPORATION

ECONOMIC IMPACT PLAN

FOR

UNION ROW PHASE I

I. Introduction

Big River Partners, LLC (the “Developer”) owns or has under contract or other control an approximately 11 acre tract of land located generally on Union Avenue, Fourth Street, Gayoso Avenue and Danny Thomas Boulevard in the Downtown neighborhood in Memphis, Shelby County, Tennessee (the “Property”). The Developer has requested assistance from Memphis Center City Revenue Finance Corporation, a public nonprofit corporation organized under Tenn. Code Ann. §§ 7-53-101, *et. seq.* (the “CCRFC”), in connection with a project to be developed on the Property, as more particularly described below.

What follows is an economic impact plan for the development of the Property (the “Plan”). First, the Plan explains the statutory authority for financial assistance from CCRFC (Section II). Second, the Plan describes the project, the area subject to this Plan, and the requested financial assistance from CCRFC in the form of tax increment financing (Sections III, IV, and V). Third, the Plan discusses the expected benefits to the City of Memphis, Tennessee and Shelby County, Tennessee from the project (Section VI). Finally, the Plan explains the mechanics of the requested tax increment financing (Sections VII).

II. Authority for Economic Impact Plan

CCRFC is an “industrial development corporations are authorized under Tenn. Code Ann. § 7-53-101 *et. seq.* (an “IDB”). An IDB is authorized under Tenn. Code Ann. § 7-53-312 to prepare and submit to cities and counties an economic impact plan with respect to an area that includes a project within the meaning of Tenn. Code Ann. § 7-53-101 and such other properties that the IDB determines will be directly improved or benefited due to the undertaking of such project. Tennessee Code Annotated § 7-53-312 also authorizes cities and counties to apply and pledge new incremental tax revenues, that arise from the area subject to the economic impact plan, to the IDB to promote economic development, to pay the cost of projects or to pay debt service on bonds, notes or other obligations issued by the IDB to pay the costs of projects.

III. The Project

The Union Row Project Phase I is an approximately 11 acre development located generally on Union Avenue, Danny Thomas Boulevard and Beale Street, in the Downtown neighborhood in Memphis, Shelby County, Tennessee. The property currently contains improved and unimproved properties, many of which are vacant. The Developer has proposed to redevelop the property to add residential, office, hotel, retail and parking facilities to the

properties. The construction of the residential, hotel and retail facilities, and related infrastructure improvements, are collectively referred to herein as the “Project.” In order to make the construction of the Project financially feasible, the Developer has requested that the City of Memphis (the “City”) and Shelby County, Tennessee (the “County”) approve, as part of this Economic Impact Plan, a plan for tax increment financing through the Memphis Center City Revenue Finance Corporation (the “CCRFC”) pursuant to Title 7, Chapter 53 of Tennessee Code Annotated to provide funds to pay a portion of the costs relating to the implementation of the Project. The Project is an eligible project within the meaning of Tenn. Code Ann. § 7-53-101(13).

IV. Boundaries of Plan Area

The Project is located in Downtown Memphis. The area that will be subject to this Plan, and to the tax increment financing provisions described below, (the “Plan Area”) is shown on Exhibit A attached hereto, and a list of the existing tax parcels that are in the Plan Area is attached hereto as Exhibit B. The Plan Area is hereby declared to be subject to this Plan, and the Project is hereby identified as the project that will be located within the Plan Area.

V. Financial Assistance to Project

CCRFC will provide financial assistance to the Project by applying the proceeds of the tax increment financing described herein to pay or reimburse the Developer for a portion of certain costs that will be incurred in connection with the development or redevelopment of the Project. The costs to be paid or reimbursed from proceeds of the tax increment financing will be limited to items defined as “Costs” by the TDZ Act, but shall be limited to costs permitted to be incurred by Tenn. Code Ann. § 9-23-108.

CCRFC will pay and/or reimburse the Developer or entities formed for the purpose of developing all or a portion of the Project, from available incremental tax revenues received by CCRFC or the proceeds of any tax increment financing, for all or a portion of the cost of such improvements upon receipt of adequate documentation of such costs. CCRFC and the Developer, or entities formed to develop all or a portion of the Project, will enter into one or more loan agreements or development agreements, specifying the scope and the cost of the improvements and fees to be reimbursed, which cost shall not exceed \$100,000,000 (exclusive of interest costs). The maximum amount that will be made available by CCRFC for such financial assistance shall be the lesser of \$100,000,000 (less financing costs as provided herein) or the costs actually incurred (exclusive of interest costs).

Tenn. Code Ann. § 9-23-108 does not permit the application of incremental tax revenues pursuant to this Plan to pay certain costs relating to privately-owned land without first receiving a written determination from the Comptroller of the State of Tennessee (the “State”) and the Commissioner of Economic and Community Development of the State that the use of tax increment revenues for such purposes is in the best interest of the State. CCRFC will not apply any tax increment revenues to pay costs as to which such a written determination is required without first obtaining such written determination.

VI. Expected Benefits to City and County

Implementation of the Project will greatly benefit the City and County as it will bring density to the core City and new life to a currently blighted gateway into Memphis via Union Avenue. The Downtown neighborhood is the fastest growing area of the city and there is high demand for additional residential units, hotel rooms and office and retail opportunities. This growth has been bolstered recently as companies such as ServiceMaster and B. Riley Wealth Management have moved their headquarters to the neighborhood and companies such as Raymond James and St. Jude Research Hospital have renewed their commitment to stay in Downtown Memphis. The Project will ensure the continued growth and redevelopment of Downtown Memphis.

The Project is also expected to create jobs within the City and the County, thereby also increasing tax revenues. Approximately 4,317 direct and indirect jobs are also expected to be created once the Project is fully implemented.

The City and County are also expected to receive substantial direct additional taxes as a result of the development of the Plan Area. The ad valorem real property taxes for the Plan Area for the year 2018 are approximately \$105,547.86 for the County and \$83,291.23 for the City. Development of the Plan Area will increase the value of the real property within the Plan Area, leading to an increase in ad valorem real property taxes. Following the development of the Project, the annual property taxes payable to the County are expected to be approximately \$6,035,779, and annual property taxes payable to the City are expected to be approximately \$4,754,101. Seventy five percent (75%) of the tax increment revenues resulting from the development of the Project (the "TIF Revenues"), except as described below, will be applied during the period described herein to the debt service on debt incurred by CCRFC to pay the costs described herein. The remainder of the tax increment revenues, and, following the payment of such indebtedness, all of the tax increment revenues, will accrue to the benefit of the City and County.

VII. Distribution of Property Taxes and Tax Increment Financing

a. Distribution of Taxes. Subject to the provisions of this Plan, property taxes imposed on real property and personal property located within the Plan Area will be allocated and distributed as provided in this subsection. The taxes assessed by the City and County on such property within the Plan Area will be divided and distributed as follows in accordance with the Tax Increment Act:

i. First, an amount equal to (x) the portion of the property taxes payable with respect to the Plan Area for the year prior to the date of approval of this Plan (other than any portion of such taxes that that constitutes Dedicated Taxes, as defined below) (the "Base Taxes") plus (y) that portion of property taxes levied upon property within the Plan Area for the payment of debt service of the City and the County (the "Dedicated Taxes" and together with the Base Taxes, the "Total Base Tax Amount") will, pursuant to Tenn. Code Ann. § 9-23-103, be allocated to and, as collected, paid to the City and the County as all other taxes levied by the City and the County on all other properties; provided, however, that in any year in which the taxes on

the property within the Plan Area are less than the Total Base Tax Amount, only the taxes actually imposed will be allocated and paid to the City and the County.

ii. Second, two percent (2%) of the excess County property taxes over the portion of the Total Base Tax Amount attributable to the County property taxes shall be payable to the Shelby County Trustee to administer distribution of the Shelby County Tax Increment Incentive and two percent (2%) of the excess City property taxes over the portion of the Tax Base Tax Amount attributable to the City property taxes shall be payable to the City Treasurer to administer distribution of the City Tax Increment Incentive.

iii. Third, seventy-five percent (75%) of the excess of property taxes over the Total Base Tax Amount less the two percent (2%) fees due to the Shelby County Trustee and City Treasurer set forth above and the fee due CCRFC as set forth below (the “TIF Revenues”) will be allocated and, as collected, paid into a separate fund of CCRFC created to hold such payments until the tax proceeds in the fund are to be applied to pay the Costs as described above.

iv. Fourth, five percent (5%) of the of the excess of property taxes over the Total Base Tax Amount less the two percent (2%) fee due to the Shelby County Trustee and the two percent (2%) fee due the City Treasurer as set forth above shall be payable to CCRFC, as an administrative fee for administering the Tax Increment Incentive.

v. Fifth, the remaining of the excess of property taxes over the Total Base Tax Amount above will be allocated to and, as collected, paid to the City and the County as all other taxes levied by the City and the County on all other properties.

As permitted by the Tenn. Code Ann. § 9-23-103, CCRFC hereby elects to group the parcels with the Plan Area into a single parcel for purposes of calculating and allocating the TIF Revenues. CCRFC shall give notice of such grouping of parcels to the City and the County.

TIF Revenues relating to each tax year commencing January 1, 2019 shall be allocated to CCRFC, to the extent received by the City or County, within ninety (90) days after the respective dates that taxes would be delinquent to the City and County for such tax year. TIF Revenues received by the City and County as delinquent taxes shall be allocated by the City and the County within thirty (30) days of receipt. TIF Revenues shall be allocated to CCRFC for a period not in excess of thirty (30) years, but such allocations shall cease when there are not eligible costs, including debt service, to be paid from the TIF Revenues.

Notwithstanding anything to the contrary herein, the cost of improvements funded with TIF Revenues, or debt funded therewith, shall include only those costs incurred prior to December 31, 2024.

In order to pay for eligible costs of the Project, CCRFC intends to use the incremental tax revenues that it would receive as a result of the adoption of the Economic Impact Plan to pay such cost directly, to reimburse the Developer for such cost and to pay debt service on obligations incurred to finance such costs. CCRFC will borrow not to exceed \$100,000,000 through the issuance and sale of notes, bonds or other obligations of CCRFC. Such amount will be applied to pay costs relating to the Project after payment of costs incurred in connection with the issuance of the tax increment financing. CCRFC shall pledge all or any portion of the TIF Revenues

allocated to CCRFC pursuant to this Economic Impact Plan to the payment of such notes, bonds or other obligations. In no event will the obligations issued by CCRFC be considered a debt or obligation of the City and County in any manner whatsoever, and the source of the funds to satisfy CCRFC's payment obligations thereunder. The proceeds of the notes, bonds or obligations shall be used to pay the costs of the Project described above together with expenses of CCRFC in connection with the Project and the tax increment financing and capitalized interest on the notes, bonds or other obligations for a maximum period of thirty (30) years.

CCRFC, the City and the County, by the adoption of this Plan, find that the use of the TIF Revenues as described herein, is in furtherance of promoting economic development in the City and County and that costs to be financed as described herein are costs of the Project.

EXHIBIT A
MAP OF PLAN AREA

Union Row Phase One - Development Area

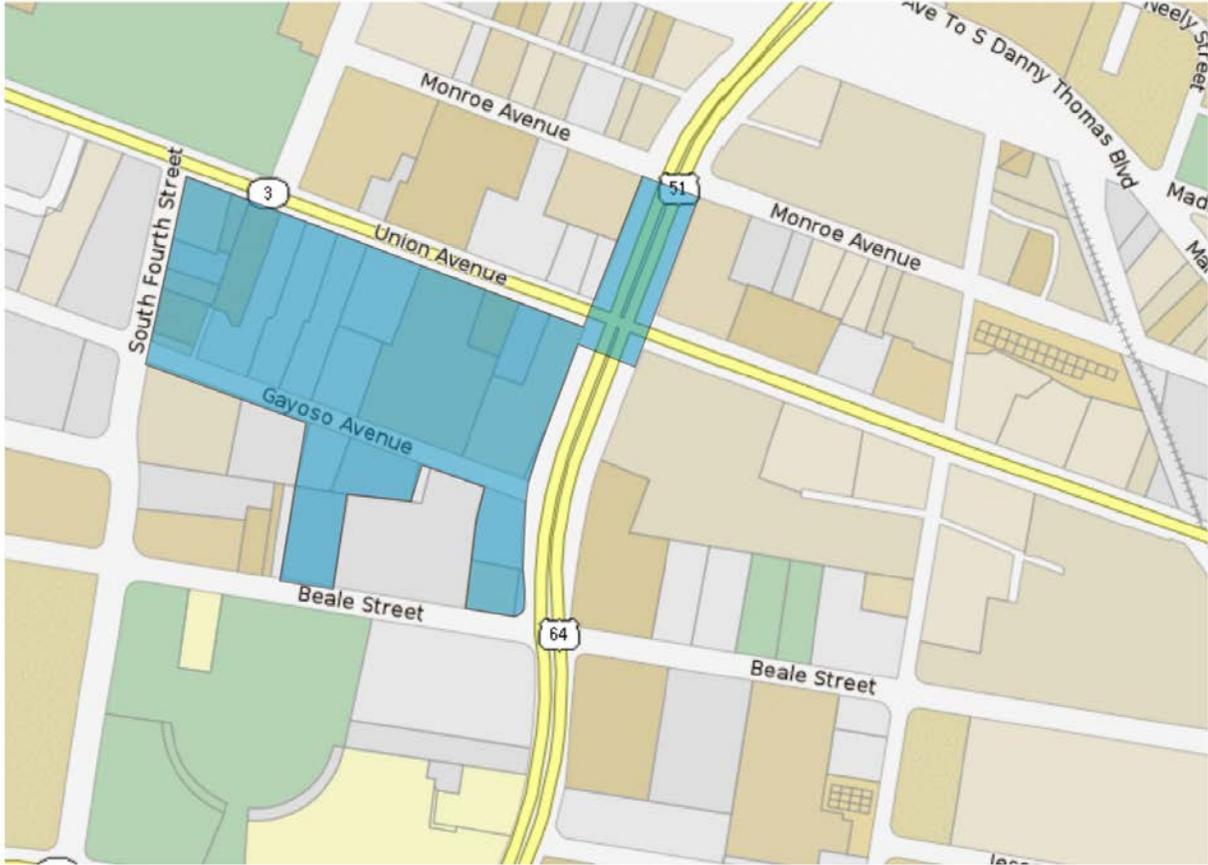


EXHIBIT B

PARCEL IDENTIFICATION NUMBERS OF PARCELS IN PLAN AREA

<u>Address</u>	<u>Tax Parcel Number</u>
325 Union Avenue	005003 00022
333 Union Avenue	005003 00023
341 Union Avenue	005003 00008C
267 Union Avenue	005003 00002C
285 Union Avenue	005003 00004
285 Union Avenue	005003 00021
283 Gayoso Avenue	005003 00014C
0 Gayoso Avenue	005003 00013
309 Union Avenue	005003 00005C
448 Beale Street	005006 00031
341 Gayoso Avenue	005006 00010C
255 Union Avenue	002064 00002
251 Union Avenue	002064 00001
265 Union Avenue	005003 00001
0 North 4th Street	002064 00003
116 South 4th Street	005003 00019
404 Beale Street	005006 00021
0 Gayoso Avenue	005006 00004
0 Gayoso Avenue	005006 00005
100 South Fourth Street	002064 00004

EXHIBIT “B”

Public Notice

See attached.

 **Public Notices**

NOTICE OF PUBLIC HEARING TO BE HELD ON BEHALF OF MEMPHIS CENTER CITY REVENUE FINANCE CORPORATION - UNION ROW PHASE I ECONOMIC IMPACT PLAN

NOTICE IS HEREBY GIVEN to all residents of Shelby County, Tennessee and all other interested persons that a public hearing will be held on behalf of the Memphis Center City Revenue Finance Corporation (the "CCRFC"), with such hearing (as required under Tenn. Code

Ann. § 7-53-312) to be held on December 11, 2018, commencing at 9:00 a.m., local time at the offices of the Downtown Memphis Commission ("DMC"), 114 North Main Street, Memphis, Tennessee 38103, at which time there will be an opportunity for persons to express their views concerning the implementation of the Union Row Economic Phase I Impact Plan (the "Plan").

If approved, the Plan would affect the area to be known as Union Row Phase I and is bounded by Union Avenue, Fourth Street, Beale Street and Danny Thomas Boulevard, plus certain adjacent property. A detailed map of the area affected by the Plan and the property to be included in the Plan will be available at the meeting or may be obtained as set forth below. The Plan calls for the application and pledging of new incremental ad valorem property tax revenues arising in the area subject to the Plan for use in connection with land acquisition and construction of certain public infrastructure improvements within the Plan area, including without limitation streets, curbs, gutters, utilities, storm drainage facilities, sidewalks, landscaping, public parks and parking facilities.

Additional information concerning the above, including a map of the Plan area, may be obtained from, and written comments should be addressed to, Brett Roier, Downtown Memphis Commission, 114 North Main Street, Memphis, Tennessee 38103, telephone number: (901) 575-0540.

This notice is given pursuant to the provisions of Tenn. Code Ann. § 7-53-312.
MEMPHIS CENTER CITY REVENUE FINANCE CORPORATION
Nov. 27, 2018 Mnd66082