

AMENDED 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, WHEREAS, Union Row CO-GP JV, LLC or its affiliates (collectively, the “Developer”) own or have under contract over approximately 21.5 acre tract of land generally on or about between Union Avenue, Fourth Street, Beale Street, Lauderdale Street, Gayoso Avenue and Danny Thomas Boulevard in Downtown Memphis, Shelby County, Tennessee as shown on Exhibit A hereto (the “Union Row Project”); and

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, this Council of the City of Memphis and the Shelby County Commission previously approved and the use of up to \$50,000,000 in funds available to CCRFC for public parking garages to be located within Phase I of the Union Row Project; and

WHEREAS, the Developer has increased the scope of Phase I of the Union Row Development from approximately 11 acres and \$511,000,000 in development to approximately 21.5 acres and approximately \$750,000,000 in development; and

WHEREAS, it is proposed that CCRFC amend and restate the Economic Development Plan for Union Row Phase I pursuant to an Amended and Restated Economic Development Plan for Union Row Phase I (the “Amended and Restated Plan”) attached hereto as Exhibit “B” to include all of the property shown on Exhibit A hereto and to increase the maximum amount that will be made available by CCRFC for the Phase I of the Union Row Project to pay for the cost of eligible improvements in accordance with the Act from \$100,000,000 to \$185,000,000; and

WHEREAS, the Developer has agreed that if the Amended and Restated Plan is approved, it will not request that CCRFC use any of its funds (other than the incremental ad valorem property taxes that are distributed to CCRFC pursuant to the Amended and Restated Plan) for public parking garages located within Phase I of the Union Row Development; and

WHEREAS, as detailed in the Amended and Restated Plan, the Developer intends to acquire land and make certain improvements within the Amended and Restated Plan area, as more particularly described in the Amended and Restated Plan, 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 Phase I of the Union Row 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 Amended and Restated 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 Union Row Project in accordance with the Act; and

WHEREAS, CCRFC held a public hearing relating to the Plan on December 2, 2019, 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 C,” and approved the Amended and Restated Plan and recommended the approval of the Amended and Restated Plan by the City of Memphis and the County of Shelby, in accordance with the Act; and

NOW, THEREFORE, BE IT RESOLVED by this Board of Directors of Memphis Center City Revenue Finance Corporation as follows:

1. The Amended and Restated Plan is hereby found to be in furtherance of the public purposes of this Corporation, including without limitation those set forth in T.C.A. Section 7-53-305, to develop trade and commerce in and adjacent to the City of Memphis and Shelby County and to contribute to the general welfare and alleviate conditions of unemployment. It is also found that the apartments to be constructed as a part of the Amended and Restated Plan will increase the quantity of housing available in the City of Memphis and Shelby County.

2. The Amended and Restated Plan, being in the public interests, is hereby approved as required by the Act and is hereby recommended to the Memphis City Council and Shelby County Commission for approval.

3. All actions heretofore undertaken by the President of CCRFC and any other officers, employees, attorneys and agents of the CCRFC in furtherance of the intent

of this resolution, and of the documents authorized by this resolution, are hereby ratified, confirmed and approved.

4. The President or any other officer of the CCRFC are hereby authorized to enter into such agreements, including without limitation a development agreement with respect to the Union Row Phase I Project, as shall be approved by such officer, and the President or any other officer of CCRFC 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 2nd day of December, 2019.

MEMPHIS CENTER CITY REVENUE
FINANCE CORPORATION

By: _____

Title: _____

EXHIBIT A

Economic Impact Plan

See attached.

MEMPHIS CENTER CITY REVENUE FINANCE CORPORATION

AMENDED AND RESTATED ECONOMIC IMPACT PLAN

FOR

UNION ROW PHASE I

I. Introduction

Union Row Co-GP JV, LLC, a Delaware limited liability company (the “Union Row GP”), or affiliate(s) thereof, owns or has under contract or other control an approximately 21.5 acre tract of land located generally on or about Union Avenue, Fourth Street, Beale Street, Lauderdale, 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). Fourth, the Plan explains the mechanics of the requested tax increment financing (Section VII). Finally, the Plan explains the approval process for the Plan (Section VIII).

II. Authority for Economic Impact Plan

CCRFC is an “industrial development corporation” 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 21.5 acre development located generally on or about Union Avenue, Danny Thomas Boulevard, Beale Street,

Gayoso Avenue, Lauderdale and Fourth Street, in the Downtown neighborhood in Memphis, Shelby County, Tennessee. The property currently contains improved and unimproved properties, many of which are vacant. Union Row GP or one or more affiliates or other permitted assigns thereof (“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 Plan, a plan for tax increment financing through 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 proceeds of the tax increment financing would be used to pay certain eligible costs, in accordance with Tenn. Code Ann. § 7-53-312 and Tenn. Code Ann. §§ 9-23-101 et. seq. (collectively, the “Tax Increment Act”), relating to 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 the following (collectively, the “Eligible Costs”): all costs that are (i) incurred in connection with the development or redevelopment of the Project and the tax increment financing and (ii) permitted under the Tax Increment Act and State Approvals, defined below. A more particular description of the “Eligible Improvements” to be paid for as Eligible Costs with the proceeds of the tax increment financing will be set forth in a development agreement to be executed by CCRFC and the Developer in connection with the tax increment financing and consistent with this Plan (the “Development Agreement”), as the same may be amended from time to time by CCRFC and the Developer so long as such amendments are consistent with this Plan. CCRFC is hereby authorized to issue and sell bonds, notes, or other obligations for purposes of paying the Eligible Costs, subject to the terms and conditions set forth in Section VII.b. below.

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 in accordance with the Development Agreement. 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 \$185,000,000 (exclusive of interest costs). The maximum amount that will be made available by CCRFC for such financial assistance shall be the lesser of \$185,000,000 (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.

CCRFC and the Developer have received certain written determinations and approvals with respect to the Project from the State Comptroller and the Commissioner of Economic and Community Development of the State providing that the use of tax increment revenues from the Project eligible cost under the Tax Increment Act, including cost related to privately owned land, is in the best interests of the State (such approvals and determinations, as updated or supplemented from time to time, are collectively referred to herein as the “State Approvals”).

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 Federal Express have agreed to move significant operations to 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 3,720 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 \$180,916.54 for the County and approximately \$142,763.25 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 \$9,237,090, and annual property

taxes payable to the City are expected to be approximately \$7,289,090. Seventy five percent (75%) of the tax increment revenues resulting from the development of the Project, except as described below, will be applied during the period described herein to pay Eligible Costs, including 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 Tax Increment Act, CCRFC is authorized to make all calculations of TIF Revenues on the basis of each parcel or groups of parcels within in the Plan Area instead of on an aggregate basis. If CCRFC opts to have such calculations made based upon each parcel, CCRFC shall give notice to the City and the County that such methodology will be used prior to the first allocation date of any TIF Revenues. However, CCRFC will designate no more than three (3) groupings of parcels comprising the Plan Area.

CCRFC is also authorized to designate, by notice to the City and the County, that the allocation of TIF Revenues from any parcel or group of parcels in the Plan Area shall begin in any tax year within the next three (3) tax years in order to match TIF Revenues with the application of TIF Revenues for the purposes provided herein, subject to the time limitation on allocations provided below.

TIF Revenues relating to each tax year commencing January 1, 2020 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.

Notwithstanding anything to the contrary herein, the cost of improvements funded with TIF Revenues, or debt funded therewith, shall include only those Eligible Costs incurred prior to December 31, 2025.

b. TIF Obligations. 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 Plan to pay debt service on obligations incurred to finance such costs (and/or to reimburse Developer directly for Eligible Costs). This tax increment financing will be structured as follows:

i. CCRFC will borrow not to exceed \$185,000,000 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 the TIF Revenues allocated to CCRFC pursuant to this Plan to the payment of such notes, bonds or other

obligations, including, without limitation, principal and interest thereon. In no event will the obligations issued by CCRFC be considered a debt or obligation of the City or County in any manner whatsoever, and the source of the funds to satisfy CCRFC's payment obligations thereunder shall be limited solely to the TIF Revenues and such obligations shall otherwise be non-recourse to CCRFC.

ii. The proceeds of the notes, bonds, or obligations shall be used to pay Eligible Costs as described above, including without limitation the costs of issuances relating to notes, bonds or obligations described above, and interest on such notes, bonds, or other obligations.

c. Taxes on the real property within the Plan Area will be divided and distributed as provided in this Plan for a period, as to each parcel of property or group of parcels in the Plan Area until the later of thirty (30) years as to any parcel or group of parcels or when there are no Eligible Costs, including debt service, remaining to be paid from the TIF Revenues with respect to such parcel or group of parcels.

d. 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.

VIII. Approval Process

Pursuant to Tenn. Code Ann. § 7-53-312, the process for the approval of this Plan is as follows:

a. CCRFC holds a public hearing relating to the proposed Plan after publishing notice of such hearing in a newspaper of general circulation in the City and the County at least two (2) weeks prior to the date of the public hearing. The notice must include the time, place and purpose of the hearing as well as notice of how a map of the subject area may be viewed by the public. Following such public hearing, CCRFC may submit the Plan to the City and the County for their approval.

b. If CCRFC wants to do a 30-year economic impact plan and if the County approves a 30-year TIF, approval by the State Commissioner of Economic and Community Development and the State Comptroller of the Treasurer is required.

c. The governing bodies of the City and the County must approve the Plan to be effective as to both the City and the County. The Plan may be approved by resolutions of the City Council of the City and County Commission of the County, whether or not the local charter provisions of the governing bodies provide otherwise. If the governing body of the City approves this Plan but the governing body of the County does not approve this Plan, at Developer's option, this Plan shall still be effective as to the City, and all references to allocating TIF Revenues of the County shall be deemed deleted. If the governing body of the County approves this Plan but the governing body of the City does not approve this Plan, at Developer's option, this Plan shall still be effective as to the

County, and all references to allocating TIF Revenues of the City shall be deemed deleted.

d. Once this Plan has been approved by the governing bodies of the City and the County, the clerk or other recording official of the governing bodies shall transmit the following to the appropriate tax assessor and taxing agency affected: (i) a copy of the description of the property within the Plan Area, and (ii) a copy of the resolutions approving the Plan. A copy of the Plan and the resolutions approving the Plan shall be filed with the Comptroller of the State and annual statements of incremental tax revenues allocated to CCRFC shall be filed with the State Board of Equalization as required by the Tax Increment Act. CCRFC will also comply with all other procedural requirements of the Tax Increment Act and other applicable laws.

e. Once this Plan has been approved by the governing bodies of the City and the County, CCRFC and the Developer shall execute the Development Agreement.

IX. Amendment and Restatement of Prior Plan

This Plan amends, restates, supersedes and replaces in all respects that certain “Economic Impact Plan for Phase I of Union Row” approved by CCRFC on December 11, 2018 and subsequently approved by the City and County.

EXHIBIT A

MAP OF PLAN AREA



EXHIBIT B

PARCEL IDENTIFICATION NUMBERS OF PARCELS IN PLAN AREA

Address	Acreage	Tax Parcel Number
325 Union Avenue	0.269	005003 00022
333 Union Avenue	0.346	005003 00023
341 Union Avenue	1.108	005003 00008C
267 Union Avenue	0.776	005003 00002C
285 Union Avenue	0.633	005003 00004
285 Union Avenue	0.701	005003 00021
283 Gayoso Avenue	0.75	005003 00014C
0 Gayoso Avenue	0.46	005003 00013
309 Union Avenue	1.854	005003 00005C
255 Union Avenue	0.115	002064 00002
251 Union Avenue	0.362	002064 00001
265 Union Avenue	0.696	005003 00001
0 North 4th Street	0.206	002064 00003
116 South 4th Street	0.051	005003 00019
100 South Fourth Street	0.179	002064 00004
404 Beale Street	0.703	005006 00021
0 Gayoso Avenue	0.313	005006 00004
0 Gayoso Avenue	0.43	005006 00005
533 Beale Street	2.1	007010 00027
0 Driver	0.261	007010 00032
231 Lauderdale	0.682	007010 00017C
0 South 4th Avenue	0.799	005006 00032
380 Beale Street	0.665	005006 00029
448 Beale Street	0.309	005006 00031
0 Beale Street	0.037	005006 00012
341 Gayoso Avenue	0.414	005006 00010C
480 Beale Street	1.54	007005 00023C
0 Danny Thomas	1.12	007011 00014C

0 Beale Street	1.489	007011 00039C
0 Beale Street	0.24	007010 00028
553 Beale St	0.3754	007010 A00013
0 Lauderdale	0.35	007010 00029
235 Union Avenue	1.212	002065 00007
	21.5454	

EXHIBIT "B"

Public Notice

Public Notices

NOTICE OF PUBLIC HEARING TO BE HELD ON BEHALF OF MEMPHIS CENTER CITY REVENUE FINANCE CORPORATION – AMENDED AND RESTATED 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 2, 2019, 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 Amended and Restated Union Row Economic Phase I Impact Plan (the "Amended Plan").

If approved, the Amended Plan would

affect the area to be known as Union Row Phase I and is generally bounded on or about Union Avenue, Fourth Street, Beale Street, Lauderdale Street, Gayoso Avenue and Danny Thomas Boulevard in Downtown Memphis, Shelby County, Tennessee, plus certain adjacent property. A detailed map of the area affected by the Amended Plan and the property to be included in the Amended Plan will be available at the meeting or may be obtained as set forth below. The Amended Plan calls for the application and pledging of new incremental ad valorem property tax revenues arising in the area subject to the Amended Plan for use in connection with land acquisition and construction of certain public infrastructure improvements within the Amended 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 Amended Plan area, may be obtained from, and written comments should be addressed to, Brett Roler, 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. 19, 2019

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