

**RESOLUTION OF THE BOARD OF DIRECTORS
OF
MEMPHIS CENTER CITY REVENUE FINANCE CORPORATION**

(Pinch District Project)

WHEREAS, it is vital to the economic growth and development of the City of Memphis (the “City”) that vacant and underutilized property be developed or redeveloped and placed into service; and

WHEREAS, the redevelopment of the Pinch District is a priority of the City and the Downtown Memphis Commission; and

WHEREAS, 18 South Main, LLC (the “Developer”) owns or has under contract the property located in the Pinch District show on Exhibit A hereto (the “Pinch District Property”); and

WHEREAS, the property included in the Pinch District Property currently contains improved and unimproved properties, many of which are vacant, and the Developer proposes, itself or through affiliates thereof, to redevelop the property as a high-rise live-work-play development containing retail, office, hotel, residential and parking uses, for a total estimated project cost of in Phase I of approximately Six Hundred Five Million Dollars (\$605,000,000) and in Phase II of approximately Four Hundred Eighty Five Million Dollars (\$485,000,000), not including the cost of parking or infrastructure (collectively, the “Pinch District Project”); and

WHEREAS, the development of the Pinch District Project into a high-rise live-work-play development containing multifamily residential, hotel, office, retail and parking, would remedy blight, create jobs, increase surrounding property values, provide needed housing in the core of the city, and help attract new citizens to Memphis; and

WHEREAS, the Downtown Memphis Commission has been working aggressively with the City and Developer to form a public-private partnership to develop the Pinch District Project; and

WHEREAS, the success of the Pinch District Project will have a significant impact on the tourism industry and other related industries in the city of Memphis; and

WHEREAS, the Convention Center and Tourism Development Financing Act of 1998, which is codified at TCA §7-88-101 et seq., (the “TDZ Act”), was enacted to provide a financing mechanism for the development of convention centers, tourist attractions, and other similar public use facilities that would attract and serve as major tourism destinations, thereby fostering economic benefits to the state, as well as to the hosting cities and counties; and

WHEREAS, the City of Memphis submitted its Application for Certification of the Downtown Tourism Development Zone (the “Application”) to the Tennessee

Department of Finance and Administration, the Application was approved by the Tennessee State Building Commission and the Downtown Tourism Development Zone (the “Downtown TDZ”) was established; and

WHEREAS, the Application for the Downtown TDZ was previously supplemented, including a supplement to add certain properties in the Pinch District, that included properties that are part of the Pinch District Project, as a “Qualified Public Use Facility” within the meaning of the TDZ Act, which supplement was approved by the Tennessee State Building Commission; and

WHEREAS, it is proposed that the Application be further supplemented to include all of the properties within the Pinch District Project and their intended use as a “Qualified Public Use Facility” within the meaning of the TDZ Act; and

WHEREAS, such supplement shall be subject to certification by the State of Tennessee Department of Finance and Administration and the Comptroller of the State of Tennessee and approval of the Tennessee State Building Commission; and

WHEREAS, it is proposed that the City of Memphis supplement the Downtown Tourism Development Zone Master Plan to include all of the properties within the Pinch District Project and their intended use as a “Qualified Public Use Facility” within the meaning of the TDZ Act (the “Master Plan Supplement”); and

WHEREAS, the TDZ Act contemplates the creation of a plan to ensure participation of statutorily defined minority-owned businesses in the financing, construction, leasing, equipping, renovation and acquisition, as applicable, of the qualified public use facility; and

WHEREAS, it is proposed that in compliance with the TDZ Statute, the City of Memphis adopt a minority-owned business participation plan (the “Minority-Owned Business Participation Plan”); and

WHEREAS, it is contemplated that this Corporation will issue bonds or other debt instruments and otherwise incur non-recourse indebtedness related to and in furtherance of the Pinch District Project; and

WHEREAS, it is proposed that the City allocate the TDZ revenues from the Pinch District Project (the “Pinch District TDZ Revenues”) to this Corporation to pay debt service on indebtedness incurred pursuant to the TDZ Act to finance or refinance the Pinch District Project; and

WHEREAS, in addition to the Pinch District TDZ Revenues, TCA §67-4-3003 authorizes the City of Memphis to charge a 5% Tourist Surcharge on the sale of certain goods and services within all or a portion of Downtown TDZ (the “Tourist Surcharge”); and

WHEREAS, it is proposed that the Developer, or one or more affiliates thereof, will enter into one or more Payment in Lieu of Tax Leases (each, a “Pinch District PILOT Lease”) for the Pinch District Project with this Corporation which will provide for payments in lieu of taxes based the predevelopment assessment plus 25% of the incremental increase in the assessment of the property subject to such Pinch District PILOT Lease, each with a term of thirty (30) years after the Pinch District Project is placed in service; and

WHEREAS, the Developer has requested, in order for this project to be feasible, that rent payable to this Corporation equal to 75% of the incremental increase in the assessment of the property subject to such Pinch District PILOT Lease (“Pinch District PILOT Rents”) be collected for a period of thirty (30) years and be used to pay the costs of the eligible improvements relating to the development of the Pinch District Project; and

WHEREAS, the approval of the Memphis City Council and Shelby County Commission is required for the use of funds from the Pinch District PILOT Rents by this Corporation; and

WHEREAS, it is proposed that this Corporation enter into a Memorandum of Understanding (“MOU”) between this corporation and the Developer in connection with the Pinch District Project; and

WHEREAS, it is proposed that this Corporation: (i) approve the Pinch District PILOT Leases for the Pinch District Project, (ii) approve the use of the Pinch District PILOT Rents in connection with the Pinch District Project, (iii) approve the execution and delivery by this Corporation and the Developer of the MOU, and (iv) otherwise provide with respect to the foregoing.

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

1. The Pinch District Project 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 Pinch District Project will increase the quantity of housing available in the City of Memphis and Shelby County.

2. A PILOT for the Pinch District Project is hereby approved, such PILOT to provide a freeze on the taxes due on the real property constituting part of the Pinch District Project, with such tax freeze to be for a period of thirty (30) years from the Pinch District Project being placed in service, subject to the approval by the Comptroller of the State of Tennessee and the Tennessee Commissioner of Economic and Community Development of the term of such tax freeze in excess of twenty (20) years.

3. The fees of this Corporation provided in Policies and Procedures of this Corporation shall be payable at closing of the PILOT lease.

4. The approval by this Corporation is subject to approval of the plans and specifications for the Pinch District Project by the Design Review Board.

5. Each of the officers of this Corporation be, and hereby is, authorized and directed to execute and deliver Pinch District PILOT Leases in the form thereof authorized by such officer, the execution and delivery thereof to be conclusive evidence of the approval by this Corporation and this Board of Directors of the terms and conditions thereof.

6. The use of the Pinch District PILOT Rents to pay the costs of the eligible improvements relating to the development of the Pinch District Project is hereby authored and approved, subject to the approval of such use by the Memphis City Council and Shelby County Commission

7. The execution and delivery of the MOU by this Corporation is hereby authorized and approved. Each of the officers of this Corporation be, and hereby is, authorized and directed to execute and deliver the MOU in the form thereof authorized by such officer, the execution and delivery thereof to be conclusive evidence of the approval by this Corporation and this Board of Directors of the terms and conditions thereof.

8. Each of the officers of this Corporation be, and hereby is, authorized and directed to do any and all other acts, including without limitation, the execution and delivery of any of the documents necessary and desirable to make effective these Resolutions, and the execution, delivery and performance thereof by such officer or officers of this Corporation shall be deemed to be conclusive evidence of the approval by this Corporation to the terms and conditions and appropriateness thereof.

ADOPTED this 2nd day of December, 2019.

**MEMPHIS CENTER CITY
REVENUE FINANCE
CORPORATION**

By: _____
Its: _____

EXHIBIT A

Map of Pinch District Project

PHASE I PARCELS
in PHASE II PARCELS
4821-7928-5405.2

