

RESOLUTION 19-R-19 regarding Economic Impact Plan for East College Street Historic Development Area.

WHEREAS, The Industrial Development Board of Rutherford County (the “Board”), is a public, nonprofit corporation organized and existing under, and by virtue of, the provisions of Chapter 53, Title 7, Tennessee Code Annotated, as amended (the “Act”); and

WHEREAS, the purpose of said Act, as stated therein, being to authorize the incorporation in the several municipalities in the State of Tennessee of public corporations to finance, acquire, construct, own, lease, equip and/or dispose of properties to the end that such corporations may be able to, among other things, maintain and increase employment opportunities by promoting industry, trade, commerce, tourism, and recreation by inducing manufacturing, industrial, governmental, educational, financial service, commercial, and recreational enterprises to locate or to remain in the State of Tennessee; and

WHEREAS, the Board desires to induce One East College, LLC (the “Company”), to undertake a development (the “Development”), which will include commercial office, retail, restaurant, residential and hotel uses, together with a privately-owned, on-site parking garage facility that will serve both the users of the Development and the public (the “Garage Project”), which Garage Project is anticipated to be composed of a 3 ½ - story garage with approximately 505 parking spaces; and

WHEREAS, the Garage Project is an eligible project within the meaning of T.C.A. § 7-53-101(15)(A); and

WHEREAS, the Board is authorized by the Act to, among other things, prepare and submit to the City and to the Board of Commissioners of Rutherford County, Tennessee (the “County”), for their approval, an economic impact plan pursuant to Section 312 of the Act; and

WHEREAS, on August 28, 2019, the Board held a public hearing relating to the proposed “The Industrial Development Board of Rutherford County – East College Street Historic Development Area” (the “Plan”), attached hereto as Exhibit A and incorporated herein by reference, and approved the Plan pursuant to which the Board would receive certain property taxes allocated to the Board pursuant to Section 312(h) of the Act and the Plan (the “Available Increment”) and use the same for an incentive (the “Incentive”) to the Company, by using the Available Increment either to (i) pay (or reimburse the Company for paying) a portion of the Eligible Costs (such term, and all other terms the initial letter of which are capitalized and is not otherwise defined herein shall have the meaning ascribed thereto in the Plan) of the Garage Project, or to (ii) provide financial assistance to fund a portion of the Eligible Costs of the Garage Project by borrowing money under a nonrecourse note, and

providing the proceeds thereof to the Company to reimburse it for Eligible Costs of the Garage Project; and

WHEREAS, the Board is authorized by law and has deemed it necessary to provide the Incentive pursuant to the terms of a certain Funding Agreement (the "Funding Agreement"), to be entered into with the Company, which Funding Agreement shall be subject to the approval of the City Manager and the City Attorney; and

WHEREAS, the City has been asked to approve the Plan and the Incentive to the Company.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MURFREESBORO, TENNESSEE, AS FOLLOWS:

SECTION 1. Findings with Respect to the Project. The City Council of the City of Murfreesboro, Tennessee, hereby finds with respect to the Project that the acquisition, construction and equipping thereof by means of the Incentive is necessary and desirable; that the Plan Area is within an area that could provide substantial sources of tax revenues or economic activity to the City and the County; that the use of the Incentive is in furtherance of promoting economic development in the City and the County; that the use of the Incentive will develop trade and commerce in and adjacent to the City and the County, will contribute to the general welfare, and will alleviate conditions of unemployment; and that the Project will be necessary and advantageous to the Board in furthering the purposes of the Act.

SECTION 2. Approval of the Incentive and the Plan. The form, content, and provisions of the Plan, and the grant of the Incentive as contemplated herein, in the Funding Agreement and in said Plan are hereby in all particulars approved; and the Mayor, or in the Mayor's absence, the Vice Mayor, is hereby authorized, empowered and directed to execute, acknowledge and deliver said Plan, in substantially the form now before this meeting of the City Council, or with such changes therein as shall be approved by the Mayor or Vice Mayor executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all such changes or revisions, in the name, and on behalf, of the City.

The Mayor or in the Mayor's absence, the Vice Mayor, is hereby authorized, empowered, and directed, from and after the date hereof, to do all acts and things, and to execute all documents with the Company, the Board and/or the City as may be necessary or convenient to carry out, and to comply with the provisions of said Economic Impact Plan.

SECTION 3. Miscellaneous Acts. The Mayor, the Vice Mayor, the City Manager, the City Attorney, the City Recorder, the Treasurer, and the Director of Finance or any of them, are hereby authorized, empowered, and directed to do any and all such acts and things, and to execute, acknowledge, deliver, and, if applicable

file or record, or cause to be filed or recorded, in any appropriate public offices, all such documents, instruments, memoranda and certifications, certifications hereinbefore authorized and approved, as may, in his or her discretion, be necessary or desirable to implement or comply with the intent of this Resolution, or any of the documents herein authorized and approved, or for the granting and implementation of the Incentive or the undertaking of the Project by the Company for the foregoing purposes, including without limitation, the execution, delivery and recordation of any memoranda, certificates or other documents or instruments as they may deem necessary or desirable in connection with the foregoing.

SECTION 4. Limited Obligation and Liability. The obligations of the Board under the Plan and the Funding Agreement (the "Obligations"), and any payments with respect thereto, are limited obligations of the Board and shall not be deemed to constitute a general debt or liability of the Board, except insofar as the applicable portions of the Available Increment has been received by the Board and the same is payable to the Company in accordance with the provisions of the Plan and in the Funding Agreement referenced therein.

Neither the City, the County, the State of Tennessee, nor any other political subdivision thereof, shall be liable for the payment or performance of the Obligations or any agreement, or certification, of any kind whatsoever of the Board and neither the Obligations, nor any of the agreements, Obligations, or certifications of the Board shall be construed to constitute an indebtedness of the City, the County or the State of Tennessee, or any other political subdivision thereof, within the meaning of any constitutional or statutory provisions whatsoever. No recourse under, or upon any statement, obligation, covenant, agreement, or certification, contained in any of the foregoing documents, or any other document or certification whatsoever; or under any judgment obtained against the Board or by the enforcement of any assessment or by any legal or equitable proceeding or by virtue of any constitution or statute or otherwise, or under any circumstances, under or independent of the foregoing documents, or any other document or certification, whatsoever, shall be had against any incorporator, member, director, or officer, as such, past, present, or future, of the Board, either directly or through the Board, or otherwise, for the payment for, or to, the Board, or any receiver thereof, for any sum that may be due and unpaid by the Board for the Obligations. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director or officer, as such, to respond by reason of any act or omission on his or her part or otherwise for, directly or indirectly, the payment for, or to, the Board or any receiver thereof, shall be deemed to have been waived and released as a condition of, and consideration for, the execution of the aforesaid documents.

SECTION 5. Captions. The captions or headings in this Resolution are for convenience only and shall in no way define, limit, or describe the scope or intent of any provision hereof.

SECTION 6. Partial Invalidity. If any one or more of the provisions of this Resolution, or of any exhibit or attachment thereof, shall be held invalid, illegal, or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, or of any exhibit or attachment thereto, but this Resolution, and the exhibits and attachments thereof, shall be construed the same as if such invalid, illegal, or unenforceable provision had never been contained herein, or therein, as the case may be.

SECTION 7. This Resolution shall be effective immediately, the public welfare and the welfare of the City requiring it.

Passed: September 11, 2019


Shane McFarland, Mayor

ATTEST:

APPROVED AS TO FORM:


Melissa B. Wright
City Recorder


Adam F. Tucker
City Attorney



**RESOLUTION REGARDING ECONOMIC IMPACT PLAN
AMONG OTHER THINGS**

Resolution of the Board of Directors of The Industrial Development Board of Rutherford County (the "Board"), authorizing and approving the submission of an economic impact plan to the City Council of the City of Murfreesboro, Tennessee (the "City") and the Board of Commissioners of Rutherford County, Tennessee (the "County").

WHEREAS, the Board is a public, nonprofit corporation organized and existing under, and by virtue of, the provisions of Chapter 53, Title 7, Tennessee Code Annotated, as amended (the "Act"); and

WHEREAS, the purpose of said Act, as stated therein, being to authorize the incorporation in the several municipalities in the State of Tennessee of public corporations to finance, acquire, construct, own, lease, equip and/or dispose of properties to the end that such corporations may be able to, among other things, maintain and increase employment opportunities by promoting industry, trade, commerce, tourism, and recreation by inducing manufacturing, industrial, governmental, educational, financial service, commercial, and recreational enterprises to locate or to remain in the State of Tennessee; and

WHEREAS, the Board desires to induce One East College, LLC (the "Company") to undertake a development (the "Development"), which will include commercial office, retail, restaurant, residential and hotel uses, together with a privately-owned, off-site parking garage facility that will serve both the users of the Development and the public (the "Garage Project"), which Garage Project is anticipated to be composed of a 3 ½ - story garage with approximately 505 parking spaces, and is being constructed in the Plan Area as defined in the "The Industrial Development Board of Rutherford County – Economic Impact Plan for East College Street Historic Development Area" (the "Plan"), attached hereto as Exhibit A and incorporated herein by reference; and

WHEREAS, the Garage Project is an eligible project within the meaning of T.C.A. § 7-53-101(15)(A); and

WHEREAS, the Board desires to approve the Plan pursuant to which the Board would receive certain property taxes allocated to the Board pursuant to Section 312(h) of the Act and the Plan (the "Available Increment") and use the same for an incentive (the "Incentive") to the Company, by using the Available Increment either to (i) pay (or reimburse the Company for paying) a portion of the Eligible Costs (such term, and all other terms the initial letter of which are capitalized and is not otherwise defined herein shall have the meaning ascribed thereto in the Plan) of the Garage Project, or to (ii) provide financial assistance to fund a portion of the Eligible Costs of the Garage Project by borrowing money under a nonrecourse note, and providing the proceeds thereof to the Company to reimburse it for Eligible Costs of the Garage Project; and

WHEREAS, the Board is authorized by the Act to, among other things, prepare and submit to the City and the County, for their approval, an economic impact plan pursuant to Section 312 of the Act; and

WHEREAS, the Board is authorized by law and has deemed it necessary to provide the Incentive pursuant to the terms of a certain Funding Agreement (the "Funding Agreement"), to be entered into with the Company, a copy of which has been presented at this meeting of the Board; and

WHEREAS, the proposed form of the Plan and the Funding Agreement have been presented to the Board for consideration and approval.

NOW, THEREFORE, the Board having held 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, which notice included 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, be it resolved by The Industrial Development Board of Rutherford County, as follows:

Section 1. Findings with Respect to the Project. The Board hereby finds that the use of the Incentive to fund the Eligible Costs of the Project is necessary and desirable; that the Plan Area is within an area that could provide substantial sources of tax revenues or economic activity to the City and the County; that the use of the Incentive is in furtherance of promoting economic development in the City and the County; that the use of the Incentive will develop trade and commerce in and adjacent to the City and the County, will contribute to the general welfare, and will alleviate conditions of unemployment; and that the Project will be necessary and advantageous to the Board in furthering the purposes of the Act.

Section 2. Approval of the Incentive and the Plan. The form, content, and provisions of the Plan, as presented to this meeting of the Board of Directors, and the grant of the Incentive as contemplated herein, in the Funding Agreement and in said Plan, are hereby in all particulars approved; and the Chairman and the Vice Chairman, or either of them, and if requested, the Secretary or the Assistant Secretary of the Board, or either of them, are hereby authorized, empowered and directed to execute, acknowledge and deliver to the City and the County for its consideration and approval said Plan, in substantially the form now before this meeting of the Board of Directors, or with such changes therein as shall be approved by the officer(s) of the Board executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all such changes or revisions, in the name, and on behalf, of the Board.

The officers of the Board are hereby authorized, empowered, and directed, from and after the date hereof, to do all acts and things, and to execute all documents with the Company and the County as may be necessary or convenient to carry out, and to comply with the provisions of said Plan.

Section 3. Funding Agreement. The general form, content, and provisions of the Funding Agreement, as presented to this meeting of the Board of Directors, is hereby in all particulars approved; and the Chairman and the Vice Chairman, or either of them, and if requested, the Secretary or the Assistant Secretary of the Board are hereby authorized, empowered and directed to execute, acknowledge and deliver said Funding Agreement, in substantially the form now before this meeting of the Board of Directors, or with such changes therein as shall be approved by the officers of the Board executing the same, their execution

thereof to constitute conclusive evidence of their approval of any and all such changes or revisions, in the name, and on behalf, of the Board.

The officers of the Board are hereby authorized, empowered, and directed, from and after the date hereof, to do all acts and things, and to execute all documents with the Company and the County as may be necessary or convenient to carry out, and to comply with the provisions of said Funding Agreement.

Section 4. Miscellaneous Acts. The appropriate officers of the Board are hereby authorized, empowered, and directed to do any and all such acts and things, and to execute, acknowledge, deliver, and, if applicable file or record, or cause to be filed or recorded, in any appropriate public offices, all such documents, instruments, memoranda and certifications, certifications hereinbefore authorized and approved, as may, in their discretion, be necessary or desirable to implement or comply with the intent of this Resolution, or any of the documents herein authorized and approved, or for the granting and implementation of the Incentive or the undertaking of the Project by the Company for the foregoing purposes, including without limitation, the execution, delivery and recordation of any memoranda, certificates or other documents or instruments as they may deem necessary or desirable in connection with the foregoing.

Section 5. Limited Obligation and Liability. The obligations of the Board under the Plan and the Funding Agreement (the "**Obligations**"), and any payments with respect thereto, are limited obligations of the Board and shall not be deemed to constitute a general debt or liability of the Board, except insofar as the applicable portion of the Available Increment has been received by the Board, the same shall be deposited by the Board in accordance with the provisions of the Plan and in the Funding Agreement referenced therein.

Neither the City, the County, the State of Tennessee, nor any other political subdivision thereof, shall be liable for the payment or performance of the Obligations or any agreement, or certification, of any kind whatsoever of the Board and neither the Obligations, nor any of the agreements, Obligations, or certifications of the Board shall be construed to constitute an indebtedness of the City, the County or the State of Tennessee, or any other political subdivision thereof, within the meaning of any constitutional or statutory provisions whatsoever.

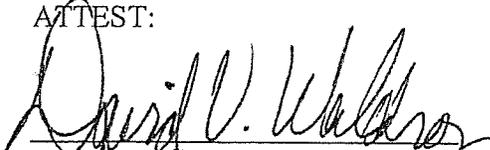
No recourse under, or upon any statement, obligation, covenant, agreement, or certification, contained in any of the foregoing documents, or any other document or certification whatsoever; or under any judgment obtained against the Board or by the enforcement of any assessment or by any legal or equitable proceeding or by virtue of any constitution or statute or otherwise, or under any circumstances, under or independent of the foregoing documents, or any other document or certification, whatsoever, shall be had against any incorporator, member, director, or officer, as such, past, present, or future, of the Board, either directly or through the Board, or otherwise, for the payment for, or to, the Board, or any receiver thereof, for any sum that may be due and unpaid by the Board for the Obligations. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director or officer, as such, to respond by reason of any act or omission on his or her part or otherwise for, directly or indirectly, the payment for, or to, the Board or any receiver thereof, shall be deemed to have been waived and released as a condition of, and consideration for, the execution of the aforesaid documents.

Section 6. Captions. The captions or headings in this Resolution are for convenience only and shall in no way define, limit, or describe the scope or intent of any provision hereof.

Section 7. Partial Invalidity. If any one or more of the provisions of this Resolution, or of any exhibit or attachment thereof, shall be held invalid, illegal, or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, or of any exhibit or attachment thereto, but this Resolution, and the exhibits and attachments thereof, shall be construed the same as if such invalid, illegal, or unenforceable provision had never been contained herein, or therein, as the case may be.

Approved and adopted this 28th day of August 2018.

ATTEST:


Secretary

THE INDUSTRIAL DEVELOPMENT
BOARD OF RUTHERFORD COUNTY

(SEAL)

By: 
Name: William Jones
Title: Chairman

EXHIBIT A

4821-9070-1474.1
210060-301002

**THE INDUSTRIAL DEVELOPMENT BOARD
OF RUTHERFORD COUNTY**

Economic Impact Plan for
East College Street Historic Development Area
August 28, 2019

1. Authority

(a) Industrial development corporations are authorized under T.C.A. § 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 T.C.A. § 7-53-101 and such other properties that the corporation determines will be directly improved or benefited due to the undertaking of a project.

(b) T.C.A. § 7-53-312 authorizes cities and counties to allocate new incremental tax revenues, which arise from the area subject to the economic impact plan, to an industrial development corporation to promote economic development, to pay the cost of projects, or to pay debt service on bonds or other obligations issued by the corporation.

2. The Development and Project

(a) Development. The City of Murfreesboro (the "City"), with the support of Rutherford County (the "County"), intends to support the development of the East College Street Historic Development Area in a mixed-use development project (the "Development"), consistent with the Development Agreement described below. The Development will include commercial office, retail, restaurant, residential and hotel uses, together with a privately-owned, off-site parking garage facility that will serve both the users of the Development and the public (the "Garage Project"). The Garage Project is anticipated to be composed of a 3 ½ - story garage with approximately 505 parking spaces. The cost of the Garage Project portion of the Development will be subject to reimbursement as set forth herein. The Development will also preserve and incorporate the sanctuary and bell tower of the old First Methodist Church located at the northeast corner of North Church and East College streets.

(b) Developer. The developer of the Development will be One East College, LLC ("Developer"). Developer will incur all costs associated with the design, construction, and marketing of the Development in accordance with a certain Mixed-Use Development Agreement, dated December 6, 2018 (said agreement, as amended from time to time, being the "Development Agreement"), by and between Developer and the City, which Development Agreement is incorporated herein by reference.

(c) The Plan. The Industrial Development Board of Rutherford County (the "Board") desires to adopt this economic impact plan (the "Plan."), in order to induce the Developer to undertake the Development and to make the Garage Project financially feasible. Upon its adoption, the Board will submit this Plan to the City and

County for their approval. The Garage Project is an eligible project within the meaning of T.C.A. § 7-53-101(15)(A).

3. Plan Area

(a) The Garage Project's location in the downtown area of the City is located on a site that encompasses an entire city block. That block is bound by Lytle Street to the north, Spring Street to the east, College Street to the south, and Church Street to the west (the "Plan Area"), which the Board hereby agrees and determines is the property that will directly benefit from the development of the Project.

(b) The map of the Plan Area, consisting of approximately 2.5 acres, is shown on **Exhibit A** attached hereto. A Tax Map and Parcel numbers of the real property in the Plan Area are Tax Map: 91K Group "G" Parcels 8.00, 8.01 and 9.0.

(c) Upon adoption of this Plan, the Plan Area is hereby declared to be subject to this Plan.

4. Expected Benefits to City and the County

(a) The Garage Project is expected to promote economic development in the downtown area by providing well-located, safe parking facilities thereby inducing the occurrence of the Development, leading to the redevelopment of the Plan Area by adding commercial office, retail, restaurant, residential, hotel and parking opportunities that will draw residents and tourists to downtown Murfreesboro. It is anticipated that the Development will become a catalyst for further redevelopment of the surrounding areas downtown.

(b) As Murfreesboro is the largest City in Rutherford County and is the county seat, this revitalization will directly benefit the County and the City.

(c) It is also expected that the Development, including the Garage Project, will accelerate the timing of the improvement of downtown Murfreesboro relative to development that might have occurred without the Garage Project. These activities will be a major catalyst in returning the area to a prominent role in the civic, economic, and cultural life of the City and the County, providing a center-City gathering place for people to park, work, live, shop and dine in a metropolitan setting.

(d) The Development will entail approximately \$65,000,000 to \$70,000,000 of capital investment in the Plan Area and should create, using a conservative estimate, 1,680 construction jobs during construction of the Development. A significant part of the Development will be commercial office, retail, restaurant and hotel uses, which will result in significant long-term job creation. A reasonable estimate of such full time equivalent jobs created is 520.

(e) The City and the County are also expected to realize additional tax receipts as a result of the Development. With respect to property taxes, the property is was publicly owned in 2018 and therefore has a base tax of zero. Transferring the

property to private ownership and the capital investment in developing the property will create incremental property tax revenue that would be applied as provided herein to pay for costs of developing the Garage Project. The capital investment in the development is approximately \$55,000,000 to \$70,000,000, resulting in an appraised value of approximately \$46,069,000. At current property tax rates at the capital investment amount alone, this appraised value will generate annual property tax revenues of \$533,802 after the tax appraisal of the completed Development.

(f) The new commercial and retail establishments within the Development will result in increased annual local sales tax revenues. The retail and restaurant and hotel uses within the Development are estimated to produce \$1,033,988 in sales taxes based on \$350/sf/year. The hotel is expected to produce additional sales and lodging tax revenue. With a 110-room hotel averaging \$200/room x 80% occupancy for 365 nights, the hotel would generate an additional \$626,340 in sales tax revenue. In addition, lodging taxes based on these numbers would produce an additional \$321,200 in taxes. Therefore, the City and County would realize approximately \$1,877,726 in additional local tax revenues annually from the Development.

5. Distribution of Property Taxes and Tax Increment Financing

(a) Distribution of Taxes. In accordance with and subject to T.C.A. § 7-53-312(c) and T.C.A. § 9-23-1010 *et seq.* (the "Tax Increment Act"), real property taxes (excluding personal property taxes) imposed on the property located within the Plan Area will be allocated and distributed as provided in this subsection. The taxes assessed by the City and the County on the real property (excluding personal property taxes) within the Plan Area will be divided and distributed as follows:

(i) The portion of the real and personal property taxes payable with respect to the Plan Area equal to the year prior to the date of approval of this Economic Impact Plan (the "Base Tax Amount") was Zero and no/100 Dollars, since the Plan Area was owned by the City.

(ii) The "Dedicated Taxes" are defined in *Tennessee Code Annotated* § 9-23-101, *et. seq.* (the "TIF Uniformity Act"), as "that portion of property taxes, if any, designated by a taxing agency to pay debt service on the taxing agency's debt." "Taxing agency" is defined in the TIF Uniformity Act as "any county, city, town, metropolitan government or other public entity that levies property taxes on property within a plan area and that has approved the plan." The Dedicated Taxes will be allocated to and will be paid to the respective taxing agencies as taxes levied by such taxing agencies on all other property are paid. The excess of real and personal property taxes over the Base Tax Amount and the Dedicated Taxes (the "TIF Revenues") shall be allocated and, as collected, paid into a separate fund or funds of the Board, created to hold such payments until the TIF Revenues in the funds are to be applied (A) first, equally to reimbursing the City, County, and the Board for costs, including without limitation legal fees, of preparing, negotiating and adopting this Plan and the associated documents implementing the incentive hereunder until all such costs are fully paid

("Initiation Expenses"); (B) then, up to 1% of the TIF Revenues for the reimbursement of the actual administrative expenses of the City, County and Board for administering the Plan, include a reasonable allocation of overhead expenses ("Administrative Expenses"); and (C) thereafter, to Developer to pay for Eligible Costs within the Plan Area (the "TIF Incentive"). Calculations of TIF Revenues with respect to the Plan Area will be done on an aggregate basis as provided in Section 103(c) of the TIF Uniformity Act.

(b) Eligible Costs. As provided in a separate Funding Agreement to be entered into by and between the Board and the Developer, the TIF Incentive will be used only to reimburse the Developer for the design and other costs incurred to construct the Garage Project and related public infrastructure (the "Eligible Costs").

6. Public Infrastructure. "Public Infrastructure" is defined in Section 102(15) of the TIF Uniformity Act, and includes, without limitation, "publicly-owned or privately-owned parking lots, facilities or garages..." Consequently, the TIF Incentive is not subject to the written determination of the Tennessee Commissioner of Economic and Community Development or the Tennessee Comptroller.

7. Maximum Amount. The aggregate amount of the TIF Incentive for all Initiation Expenses, Administrative Expenses, and Eligible Costs will not in any event exceed \$6,000,000.00 ("TIF Maximum Amount").

8. Commencement Date. Pursuant to the Funding Agreement, the Developer shall agree to commence the Development (the "Commencement Date"), defined as the demolition of the buildings in the Plan Area (other than the church bell tower), by January 24, 2020 (the "Required Commencement Date"), subject to the Force Majeure provision of the Funding Agreement and to unforeseen delays in governmental approvals, provided that such events or delays are approved by the City Manager of the City of Murfreesboro (the "City Manager") or City of Murfreesboro City Council. If the Commencement Date does not occur by the Required Commencement Date, then this Plan shall expire, unless the Required Commencement Date is extended by written agreement of the Developer, the Board and the City Manager.

9. Time Period; Payments. The Available Increment, after deduction of the Initiation Expenses and the Administrative Fee, will be applied by the Board to the TIF Incentive beginning with the allocation of the Available Increment for the earlier of the calendar year in which the Garage Project, the hotel, office, and residential components of the Development are assessed following completion, or calendar year 2023 (the "Initial Allocation Year"). The term of the Funding Agreement and this Plan shall end (the "End of the Term"), and the payment of the Available Increment to the Company shall terminate upon the earlier of the payment of the TIF Maximum Amount, or upon the allocation of fifteen (15) annual payments of the Available Increment from and including the payment of the Available Increment for the Initial Allocation Year, after which time all property taxes will be collected by the City and County in the normal course. The City and County will allocate and pay the Available Increment to the Board no later than sixty (60) days after the date that taxes are paid, as to each of the City and the County for each tax year. Delinquent payments received by the City and the County will be allocated to the

Board, to the extent required no later than sixty (60) days of receipt by the City or County with interest to the extent provided in the TIF Uniformity Act.

10. Default. In the event of a default by the Developer under the Mixed-Use Development Agreement or the Funding Agreement, the TIF Incentive may be terminated by the City *or the Board*, in which case all property taxes will be collected by the City and County in the normal course.

11. Debt Issuance. The Board may borrow funds through the issuance and sale of notes, bonds or other obligations of the Board in one or more issuances, to pay the Initiation Expenses and the TIF Incentive, to the extent permitted by the Act. The Developer may be the bond or note holder. The Board may pledge all or a portion of the TIF Revenues allocated to the Board pursuant to this Plan to the payment of such notes, bonds or other obligations, including, without limitation, principal and interest thereon, provided that the payment of any interest thereon shall not increase the TIF Maximum Amount. In no event will the obligations issued by the Board be considered a debt or obligation of the City or the County in any manner whatsoever, and the source of the funds to satisfy the Board's payment obligations thereunder shall be limited solely to the TIF Revenues and shall otherwise be non-recourse to the Board. Any debt obligation of the Board may be refinanced by the Board at any time as permitted by the Act, and upon such refinancing, available tax increment revenues shall be applied to the payment of such refinancing debt to the extent such tax increment revenues were to be used to pay the debt that is being refinanced. Any and all documents to be entered into by the Board with respect to the foregoing shall be in form and substance acceptable to the Board, in its sole discretion, and subject to the Developer completing the Board's application form and payment of its normal application fee.

12. Finding of Economic Benefit. The Board, the City and the County, by the adoption of this Plan, find that the Garage Project, which is making the provision of the remaining portions of the Development, including the hotel possible, is within an area that could provide substantial sources of tax revenues and economic activity to the City and the County, and find that the use of the TIF Revenues, as described herein, is in furtherance of promoting economic development in the City and the County, and that the use of the TIF Revenues as provided herein will develop trade and commerce in and adjacent to the City and the County, will contribute to the general welfare, and will alleviate conditions of unemployment; and that the construction and equipping of the Garage Project will be necessary and advantageous to the Board in furthering the purposes of the Act.

13. **Approval Process.**

(a) Pursuant to T.C.A. § 7-53-312, the process for the approval of this Plan is as follows:

(b) The Board shall hold a public hearing on this Plan after publishing notice of such hearing in a newspaper of general circulation in the City at least two 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, the Board shall submit the Economic Impact Plan to the City and County for their approval.

(c) The governing bodies of both the City and the County must approve this Plan for this Plan to be effective to both the City and the County. This Plan may be approved by resolution of the City Council and County Commission, whether or not the local charter provisions of the City or County provide otherwise. If the governing body of either the City or the County fails to approve this Plan, this Plan will not become effective. If either the City or County make any changes to this Plan in connection with their approval hereof, such changes must be approved by the Board following a public hearing related thereto, and such changes must also be approved by the City or County, as applicable.

(d) Once the governing body of the City and the County has approved this Plan, the Plan and related documents must be filed with the local taxing officials and the Comptroller of the State. Annual statements of incremental tax revenues allocated to the Board shall be filed with the State Board of Equalization. The Board will also comply with all other requirements of the Tax Increment Act and other applicable laws.

In witness whereof the parties hereto have entered into this Agreement as of the Effective Date.

APPROVED:

ATTEST:

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE RUTHERFORD COUNTY**

Secretary

(SEAL)

By: _____
Name: _____
Title: Chairman

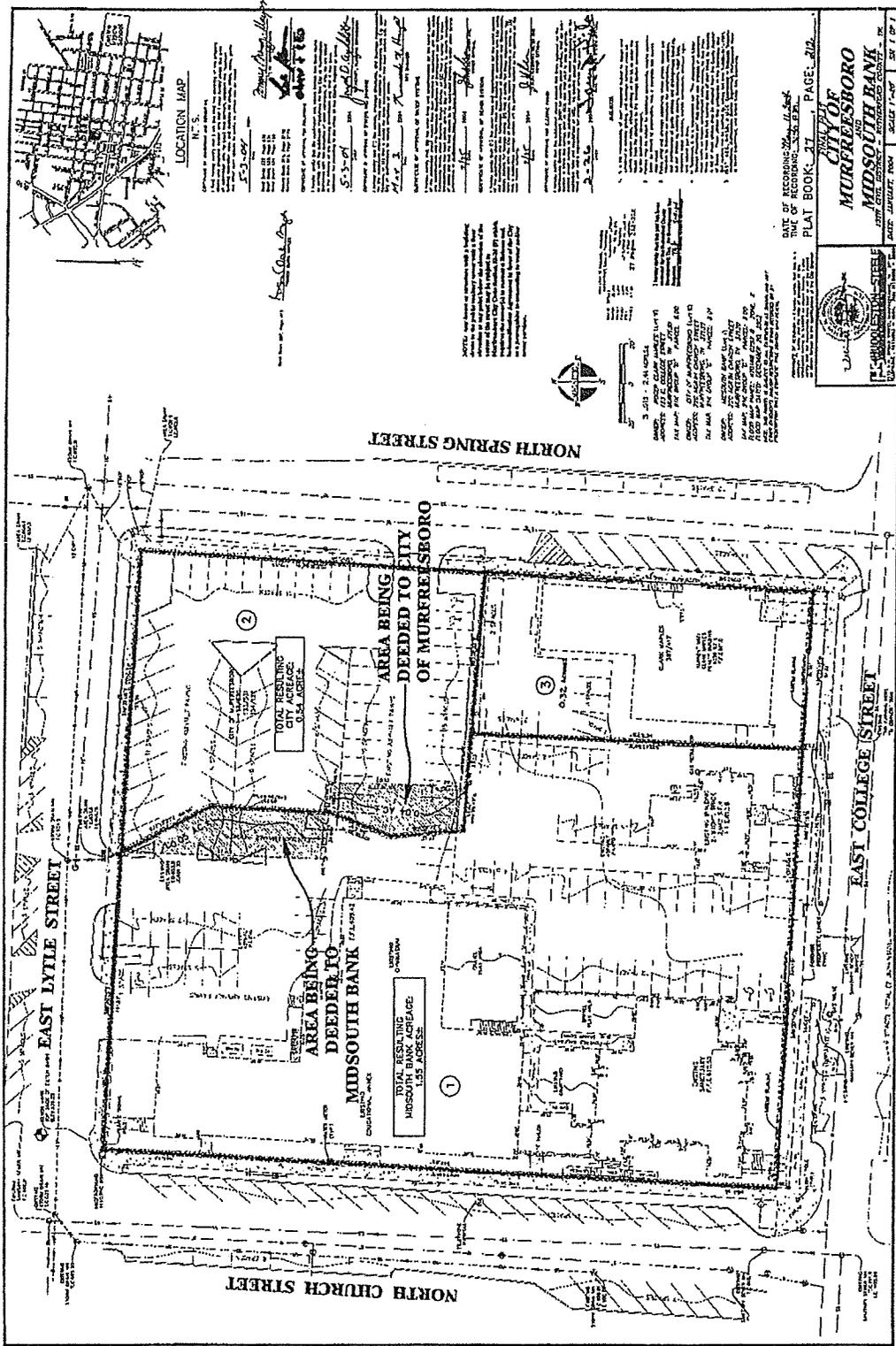
**APPROVED:
CITY OF MURFREESBORO, TENNESSEE**

By: _____
Name: _____
Title: _____
Date: _____

**APPROVED:
RUTHERFORD COUNTY, TENNESSEE**

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT A



providing the proceeds thereof to the Company to reimburse it for Eligible Costs of the Garage Project; and

WHEREAS, the Board is authorized by law and has deemed it necessary to provide the Incentive pursuant to the terms of a certain Funding Agreement (the "Funding Agreement"), to be entered into with the Company, which Funding Agreement shall be subject to the approval of the City Manager and the City Attorney; and

WHEREAS, the City has been asked to approve the Plan and the Incentive to the Company.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MURFREESBORO, TENNESSEE, AS FOLLOWS:

SECTION 1. Findings with Respect to the Project. The City Council of the City of Murfreesboro, Tennessee, hereby finds with respect to the Project that the acquisition, construction and equipping thereof by means of the Incentive is necessary and desirable; that the Plan Area is within an area that could provide substantial sources of tax revenues or economic activity to the City and the County; that the use of the Incentive is in furtherance of promoting economic development in the City and the County; that the use of the Incentive will develop trade and commerce in and adjacent to the City and the County, will contribute to the general welfare, and will alleviate conditions of unemployment; and that the Project will be necessary and advantageous to the Board in furthering the purposes of the Act.

SECTION 2. Approval of the Incentive and the Plan. The form, content, and provisions of the Plan, and the grant of the Incentive as contemplated herein, in the Funding Agreement and in said Plan are hereby in all particulars approved; and the Mayor, or in the Mayor's absence, the Vice Mayor, is hereby authorized, empowered and directed to execute, acknowledge and deliver said Plan, in substantially the form now before this meeting of the City Council, or with such changes therein as shall be approved by the Mayor or Vice Mayor executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all such changes or revisions, in the name, and on behalf, of the City.

The Mayor or in the Mayor's absence, the Vice Mayor, is hereby authorized, empowered, and directed, from and after the date hereof, to do all acts and things, and to execute all documents with the Company, the Board and/or the City as may be necessary or convenient to carry out, and to comply with the provisions of said Economic Impact Plan.

SECTION 3. Miscellaneous Acts. The Mayor, the Vice Mayor, the City Manager, the City Attorney, the City Recorder, the Treasurer, and the Director of Finance or any of them, are hereby authorized, empowered, and directed to do any and all such acts and things, and to execute, acknowledge, deliver, and, if applicable

file or record, or cause to be filed or recorded, in any appropriate public offices, all such documents, instruments, memoranda and certifications, certifications hereinbefore authorized and approved, as may, in his or her discretion, be necessary or desirable to implement or comply with the intent of this Resolution, or any of the documents herein authorized and approved, or for the granting and implementation of the Incentive or the undertaking of the Project by the Company for the foregoing purposes, including without limitation, the execution, delivery and recordation of any memoranda, certificates or other documents or instruments as they may deem necessary or desirable in connection with the foregoing.

SECTION 4. Limited Obligation and Liability. The obligations of the Board under the Plan and the Funding Agreement (the "Obligations"), and any payments with respect thereto, are limited obligations of the Board and shall not be deemed to constitute a general debt or liability of the Board, except insofar as the applicable portions of the Available Increment has been received by the Board and the same is payable to the Company in accordance with the provisions of the Plan and in the Funding Agreement referenced therein.

Neither the City, the County, the State of Tennessee, nor any other political subdivision thereof, shall be liable for the payment or performance of the Obligations or any agreement, or certification, of any kind whatsoever of the Board and neither the Obligations, nor any of the agreements, Obligations, or certifications of the Board shall be construed to constitute an indebtedness of the City, the County or the State of Tennessee, or any other political subdivision thereof, within the meaning of any constitutional or statutory provisions whatsoever. No recourse under, or upon any statement, obligation, covenant, agreement, or certification, contained in any of the foregoing documents, or any other document or certification whatsoever; or under any judgment obtained against the Board or by the enforcement of any assessment or by any legal or equitable proceeding or by virtue of any constitution or statute or otherwise, or under any circumstances, under or independent of the foregoing documents, or any other document or certification, whatsoever, shall be had against any incorporator, member, director, or officer, as such, past, present, or future, of the Board, either directly or through the Board, or otherwise, for the payment for, or to, the Board, or any receiver thereof, for any sum that may be due and unpaid by the Board for the Obligations. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director or officer, as such, to respond by reason of any act or omission on his or her part or otherwise for, directly or indirectly, the payment for, or to, the Board or any receiver thereof, shall be deemed to have been waived and released as a condition of, and consideration for, the execution of the aforesaid documents.

SECTION 5. Captions. The captions or headings in this Resolution are for convenience only and shall in no way define, limit, or describe the scope or intent of any provision hereof.

SECTION 6. Partial Invalidity. If any one or more of the provisions of this Resolution, or of any exhibit or attachment thereof, shall be held invalid, illegal, or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, or of any exhibit or attachment thereto, but this Resolution, and the exhibits and attachments thereof, shall be construed the same as if such invalid, illegal, or unenforceable provision had never been contained herein, or therein, as the case may be.

SECTION 7. This Resolution shall be effective immediately, the public welfare and the welfare of the City requiring it.

Passed: September 11, 2019


Shane McFarland, Mayor

ATTEST:

APPROVED AS TO FORM:


Melissa B. Wright
City Recorder


Adam F. Tucker
City Attorney



**RESOLUTION REGARDING ECONOMIC IMPACT PLAN
AMONG OTHER THINGS**

Resolution of the Board of Directors of The Industrial Development Board of Rutherford County (the "Board"), authorizing and approving the submission of an economic impact plan to the City Council of the City of Murfreesboro, Tennessee (the "City") and the Board of Commissioners of Rutherford County, Tennessee (the "County").

WHEREAS, the Board is a public, nonprofit corporation organized and existing under, and by virtue of, the provisions of Chapter 53, Title 7, Tennessee Code Annotated, as amended (the "Act"); and

WHEREAS, the purpose of said Act, as stated therein, being to authorize the incorporation in the several municipalities in the State of Tennessee of public corporations to finance, acquire, construct, own, lease, equip and/or dispose of properties to the end that such corporations may be able to, among other things, maintain and increase employment opportunities by promoting industry, trade, commerce, tourism, and recreation by inducing manufacturing, industrial, governmental, educational, financial service, commercial, and recreational enterprises to locate or to remain in the State of Tennessee; and

WHEREAS, the Board desires to induce One East College, LLC (the "Company") to undertake a development (the "Development"), which will include commercial office, retail, restaurant, residential and hotel uses, together with a privately-owned, off-site parking garage facility that will serve both the users of the Development and the public (the "Garage Project"), which Garage Project is anticipated to be composed of a 3 ½ - story garage with approximately 505 parking spaces, and is being constructed in the Plan Area as defined in the "The Industrial Development Board of Rutherford County – Economic Impact Plan for East College Street Historic Development Area" (the "Plan"), attached hereto as Exhibit A and incorporated herein by reference; and

WHEREAS, the Garage Project is an eligible project within the meaning of T.C.A. § 7-53-101(15)(A); and

WHEREAS, the Board desires to approve the Plan pursuant to which the Board would receive certain property taxes allocated to the Board pursuant to Section 312(h) of the Act and the Plan (the "Available Increment") and use the same for an incentive (the "Incentive") to the Company, by using the Available Increment either to (i) pay (or reimburse the Company for paying) a portion of the Eligible Costs (such term, and all other terms the initial letter of which are capitalized and is not otherwise defined herein shall have the meaning ascribed thereto in the Plan) of the Garage Project, or to (ii) provide financial assistance to fund a portion of the Eligible Costs of the Garage Project by borrowing money under a nonrecourse note, and providing the proceeds thereof to the Company to reimburse it for Eligible Costs of the Garage Project; and

WHEREAS, the Board is authorized by the Act to, among other things, prepare and submit to the City and the County, for their approval, an economic impact plan pursuant to Section 312 of the Act; and

WHEREAS, the Board is authorized by law and has deemed it necessary to provide the Incentive pursuant to the terms of a certain Funding Agreement (the "**Funding Agreement**"), to be entered into with the Company, a copy of which has been presented at this meeting of the Board; and

WHEREAS, the proposed form of the Plan and the Funding Agreement have been presented to the Board for consideration and approval.

NOW, THEREFORE, the Board having held 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, which notice included 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, be it resolved by The Industrial Development Board of Rutherford County, as follows:

Section 1. Findings with Respect to the Project. The Board hereby finds that the use of the Incentive to fund the Eligible Costs of the Project is necessary and desirable; that the Plan Area is within an area that could provide substantial sources of tax revenues or economic activity to the City and the County; that the use of the Incentive is in furtherance of promoting economic development in the City and the County; that the use of the Incentive will develop trade and commerce in and adjacent to the City and the County, will contribute to the general welfare, and will alleviate conditions of unemployment; and that the Project will be necessary and advantageous to the Board in furthering the purposes of the Act.

Section 2. Approval of the Incentive and the Plan. The form, content, and provisions of the Plan, as presented to this meeting of the Board of Directors, and the grant of the Incentive as contemplated herein, in the Funding Agreement and in said Plan, are hereby in all particulars approved; and the Chairman and the Vice Chairman, or either of them, and if requested, the Secretary or the Assistant Secretary of the Board, or either of them, are hereby authorized, empowered and directed to execute, acknowledge and deliver to the City and the County for its consideration and approval said Plan, in substantially the form now before this meeting of the Board of Directors, or with such changes therein as shall be approved by the officer(s) of the Board executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all such changes or revisions, in the name, and on behalf, of the Board.

The officers of the Board are hereby authorized, empowered, and directed, from and after the date hereof, to do all acts and things, and to execute all documents with the Company and the County as may be necessary or convenient to carry out, and to comply with the provisions of said Plan.

Section 3. Funding Agreement. The general form, content, and provisions of the Funding Agreement, as presented to this meeting of the Board of Directors, is hereby in all particulars approved; and the Chairman and the Vice Chairman, or either of them, and if requested, the Secretary or the Assistant Secretary of the Board are hereby authorized, empowered and directed to execute, acknowledge and deliver said Funding Agreement, in substantially the form now before this meeting of the Board of Directors, or with such changes therein as shall be approved by the officers of the Board executing the same, their execution

thereof to constitute conclusive evidence of their approval of any and all such changes or revisions, in the name, and on behalf, of the Board.

The officers of the Board are hereby authorized, empowered, and directed, from and after the date hereof, to do all acts and things, and to execute all documents with the Company and the County as may be necessary or convenient to carry out, and to comply with the provisions of said Funding Agreement.

Section 4. Miscellaneous Acts. The appropriate officers of the Board are hereby authorized, empowered, and directed to do any and all such acts and things, and to execute, acknowledge, deliver, and, if applicable file or record, or cause to be filed or recorded, in any appropriate public offices, all such documents, instruments, memoranda and certifications, certifications hereinbefore authorized and approved, as may, in their discretion, be necessary or desirable to implement or comply with the intent of this Resolution, or any of the documents herein authorized and approved, or for the granting and implementation of the Incentive or the undertaking of the Project by the Company for the foregoing purposes, including without limitation, the execution, delivery and recordation of any memoranda, certificates or other documents or instruments as they may deem necessary or desirable in connection with the foregoing.

Section 5. Limited Obligation and Liability. The obligations of the Board under the Plan and the Funding Agreement (the "**Obligations**"), and any payments with respect thereto, are limited obligations of the Board and shall not be deemed to constitute a general debt or liability of the Board, except insofar as the applicable portion of the Available Increment has been received by the Board, the same shall be deposited by the Board in accordance with the provisions of the Plan and in the Funding Agreement referenced therein.

Neither the City, the County, the State of Tennessee, nor any other political subdivision thereof, shall be liable for the payment or performance of the Obligations or any agreement, or certification, of any kind whatsoever of the Board and neither the Obligations, nor any of the agreements, Obligations, or certifications of the Board shall be construed to constitute an indebtedness of the City, the County or the State of Tennessee, or any other political subdivision thereof, within the meaning of any constitutional or statutory provisions whatsoever.

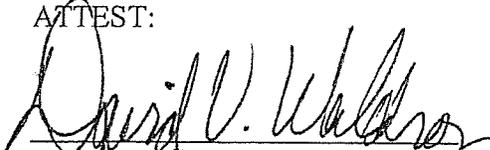
No recourse under, or upon any statement, obligation, covenant, agreement, or certification, contained in any of the foregoing documents, or any other document or certification whatsoever; or under any judgment obtained against the Board or by the enforcement of any assessment or by any legal or equitable proceeding or by virtue of any constitution or statute or otherwise, or under any circumstances, under or independent of the foregoing documents, or any other document or certification, whatsoever, shall be had against any incorporator, member, director, or officer, as such, past, present, or future, of the Board, either directly or through the Board, or otherwise, for the payment for, or to, the Board, or any receiver thereof, for any sum that may be due and unpaid by the Board for the Obligations. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director or officer, as such, to respond by reason of any act or omission on his or her part or otherwise for, directly or indirectly, the payment for, or to, the Board or any receiver thereof, shall be deemed to have been waived and released as a condition of, and consideration for, the execution of the aforesaid documents.

Section 6. Captions. The captions or headings in this Resolution are for convenience only and shall in no way define, limit, or describe the scope or intent of any provision hereof.

Section 7. Partial Invalidity. If any one or more of the provisions of this Resolution, or of any exhibit or attachment thereof, shall be held invalid, illegal, or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, or of any exhibit or attachment thereto, but this Resolution, and the exhibits and attachments thereof, shall be construed the same as if such invalid, illegal, or unenforceable provision had never been contained herein, or therein, as the case may be.

Approved and adopted this 28th day of August 2018.

ATTEST:


Secretary

THE INDUSTRIAL DEVELOPMENT
BOARD OF RUTHERFORD COUNTY

(SEAL)

By: 
Name: William Jones
Title: Chairman

EXHIBIT A

4821-9070-1474.1
210060-301002

**THE INDUSTRIAL DEVELOPMENT BOARD
OF RUTHERFORD COUNTY**

Economic Impact Plan for
East College Street Historic Development Area
August 28, 2019

1. Authority

(a) Industrial development corporations are authorized under T.C.A. § 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 T.C.A. § 7-53-101 and such other properties that the corporation determines will be directly improved or benefited due to the undertaking of a project.

(b) T.C.A. § 7-53-312 authorizes cities and counties to allocate new incremental tax revenues, which arise from the area subject to the economic impact plan, to an industrial development corporation to promote economic development, to pay the cost of projects, or to pay debt service on bonds or other obligations issued by the corporation.

2. The Development and Project

(a) Development. The City of Murfreesboro (the "City"), with the support of Rutherford County (the "County"), intends to support the development of the East College Street Historic Development Area in a mixed-use development project (the "Development"), consistent with the Development Agreement described below. The Development will include commercial office, retail, restaurant, residential and hotel uses, together with a privately-owned, off-site parking garage facility that will serve both the users of the Development and the public (the "Garage Project"). The Garage Project is anticipated to be composed of a 3 ½ - story garage with approximately 505 parking spaces. The cost of the Garage Project portion of the Development will be subject to reimbursement as set forth herein. The Development will also preserve and incorporate the sanctuary and bell tower of the old First Methodist Church located at the northeast corner of North Church and East College streets.

(b) Developer. The developer of the Development will be One East College, LLC ("Developer"). Developer will incur all costs associated with the design, construction, and marketing of the Development in accordance with a certain Mixed-Use Development Agreement, dated December 6, 2018 (said agreement, as amended from time to time, being the "Development Agreement"), by and between Developer and the City, which Development Agreement is incorporated herein by reference.

(c) The Plan. The Industrial Development Board of Rutherford County (the "Board") desires to adopt this economic impact plan (the "Plan."), in order to induce the Developer to undertake the Development and to make the Garage Project financially feasible. Upon its adoption, the Board will submit this Plan to the City and

County for their approval. The Garage Project is an eligible project within the meaning of T.C.A. § 7-53-101(15)(A).

3. Plan Area

(a) The Garage Project's location in the downtown area of the City is located on a site that encompasses an entire city block. That block is bound by Lytle Street to the north, Spring Street to the east, College Street to the south, and Church Street to the west (the "Plan Area"), which the Board hereby agrees and determines is the property that will directly benefit from the development of the Project.

(b) The map of the Plan Area, consisting of approximately 2.5 acres, is shown on **Exhibit A** attached hereto. A Tax Map and Parcel numbers of the real property in the Plan Area are Tax Map: 91K Group "G" Parcels 8.00, 8.01 and 9.0.

(c) Upon adoption of this Plan, the Plan Area is hereby declared to be subject to this Plan.

4. Expected Benefits to City and the County

(a) The Garage Project is expected to promote economic development in the downtown area by providing well-located, safe parking facilities thereby inducing the occurrence of the Development, leading to the redevelopment of the Plan Area by adding commercial office, retail, restaurant, residential, hotel and parking opportunities that will draw residents and tourists to downtown Murfreesboro. It is anticipated that the Development will become a catalyst for further redevelopment of the surrounding areas downtown.

(b) As Murfreesboro is the largest City in Rutherford County and is the county seat, this revitalization will directly benefit the County and the City.

(c) It is also expected that the Development, including the Garage Project, will accelerate the timing of the improvement of downtown Murfreesboro relative to development that might have occurred without the Garage Project. These activities will be a major catalyst in returning the area to a prominent role in the civic, economic, and cultural life of the City and the County, providing a center-City gathering place for people to park, work, live, shop and dine in a metropolitan setting.

(d) The Development will entail approximately \$65,000,000 to \$70,000,000 of capital investment in the Plan Area and should create, using a conservative estimate, 1,680 construction jobs during construction of the Development. A significant part of the Development will be commercial office, retail, restaurant and hotel uses, which will result in significant long-term job creation. A reasonable estimate of such full time equivalent jobs created is 520.

(e) The City and the County are also expected to realize additional tax receipts as a result of the Development. With respect to property taxes, the property is was publicly owned in 2018 and therefore has a base tax of zero. Transferring the

property to private ownership and the capital investment in developing the property will create incremental property tax revenue that would be applied as provided herein to pay for costs of developing the Garage Project. The capital investment in the development is approximately \$55,000,000 to \$70,000,000, resulting in an appraised value of approximately \$46,069,000. At current property tax rates at the capital investment amount alone, this appraised value will generate annual property tax revenues of \$533,802 after the tax appraisal of the completed Development.

(f) The new commercial and retail establishments within the Development will result in increased annual local sales tax revenues. The retail and restaurant and hotel uses within the Development are estimated to produce \$1,033,988 in sales taxes based on \$350/sf/year. The hotel is expected to produce additional sales and lodging tax revenue. With a 110-room hotel averaging \$200/room x 80% occupancy for 365 nights, the hotel would generate an additional \$626,340 in sales tax revenue. In addition, lodging taxes based on these numbers would produce an additional \$321,200 in taxes. Therefore, the City and County would realize approximately \$1,877,726 in additional local tax revenues annually from the Development.

5. Distribution of Property Taxes and Tax Increment Financing

(a) Distribution of Taxes. In accordance with and subject to T.C.A. § 7-53-312(c) and T.C.A. § 9-23-1010 *et seq.* (the "Tax Increment Act"), real property taxes (excluding personal property taxes) imposed on the property located within the Plan Area will be allocated and distributed as provided in this subsection. The taxes assessed by the City and the County on the real property (excluding personal property taxes) within the Plan Area will be divided and distributed as follows:

(i) The portion of the real and personal property taxes payable with respect to the Plan Area equal to the year prior to the date of approval of this Economic Impact Plan (the "Base Tax Amount") was Zero and no/100 Dollars, since the Plan Area was owned by the City.

(ii) The "Dedicated Taxes" are defined in *Tennessee Code Annotated* § 9-23-101, *et. seq.* (the "TIF Uniformity Act"), as "that portion of property taxes, if any, designated by a taxing agency to pay debt service on the taxing agency's debt." "Taxing agency" is defined in the TIF Uniformity Act as "any county, city, town, metropolitan government or other public entity that levies property taxes on property within a plan area and that has approved the plan." The Dedicated Taxes will be allocated to and will be paid to the respective taxing agencies as taxes levied by such taxing agencies on all other property are paid. The excess of real and personal property taxes over the Base Tax Amount and the Dedicated Taxes (the "TIF Revenues") shall be allocated and, as collected, paid into a separate fund or funds of the Board, created to hold such payments until the TIF Revenues in the funds are to be applied (A) first, equally to reimbursing the City, County, and the Board for costs, including without limitation legal fees, of preparing, negotiating and adopting this Plan and the associated documents implementing the incentive hereunder until all such costs are fully paid

("Initiation Expenses"); (B) then, up to 1% of the TIF Revenues for the reimbursement of the actual administrative expenses of the City, County and Board for administering the Plan, include a reasonable allocation of overhead expenses ("Administrative Expenses"); and (C) thereafter, to Developer to pay for Eligible Costs within the Plan Area (the "TIF Incentive"). Calculations of TIF Revenues with respect to the Plan Area will be done on an aggregate basis as provided in Section 103(c) of the TIF Uniformity Act.

(b) Eligible Costs. As provided in a separate Funding Agreement to be entered into by and between the Board and the Developer, the TIF Incentive will be used only to reimburse the Developer for the design and other costs incurred to construct the Garage Project and related public infrastructure (the "Eligible Costs").

6. Public Infrastructure. "Public Infrastructure" is defined in Section 102(15) of the TIF Uniformity Act, and includes, without limitation, "publicly-owned or privately-owned parking lots, facilities or garages..." Consequently, the TIF Incentive is not subject to the written determination of the Tennessee Commissioner of Economic and Community Development or the Tennessee Comptroller.

7. Maximum Amount. The aggregate amount of the TIF Incentive for all Initiation Expenses, Administrative Expenses, and Eligible Costs will not in any event exceed \$6,000,000.00 ("TIF Maximum Amount").

8. Commencement Date. Pursuant to the Funding Agreement, the Developer shall agree to commence the Development (the "Commencement Date"), defined as the demolition of the buildings in the Plan Area (other than the church bell tower), by January 24, 2020 (the "Required Commencement Date"), subject to the Force Majeure provision of the Funding Agreement and to unforeseen delays in governmental approvals, provided that such events or delays are approved by the City Manager of the City of Murfreesboro (the "City Manager") or City of Murfreesboro City Council. If the Commencement Date does not occur by the Required Commencement Date, then this Plan shall expire, unless the Required Commencement Date is extended by written agreement of the Developer, the Board and the City Manager.

9. Time Period; Payments. The Available Increment, after deduction of the Initiation Expenses and the Administrative Fee, will be applied by the Board to the TIF Incentive beginning with the allocation of the Available Increment for the earlier of the calendar year in which the Garage Project, the hotel, office, and residential components of the Development are assessed following completion, or calendar year 2023 (the "Initial Allocation Year"). The term of the Funding Agreement and this Plan shall end (the "End of the Term"), and the payment of the Available Increment to the Company shall terminate upon the earlier of the payment of the TIF Maximum Amount, or upon the allocation of fifteen (15) annual payments of the Available Increment from and including the payment of the Available Increment for the Initial Allocation Year, after which time all property taxes will be collected by the City and County in the normal course. The City and County will allocate and pay the Available Increment to the Board no later than sixty (60) days after the date that taxes are paid, as to each of the City and the County for each tax year. Delinquent payments received by the City and the County will be allocated to the

Board, to the extent required no later than sixty (60) days of receipt by the City or County with interest to the extent provided in the TIF Uniformity Act.

10. Default. In the event of a default by the Developer under the Mixed-Use Development Agreement or the Funding Agreement, the TIF Incentive may be terminated by the City *or the Board*, in which case all property taxes will be collected by the City and County in the normal course.

11. Debt Issuance. The Board may borrow funds through the issuance and sale of notes, bonds or other obligations of the Board in one or more issuances, to pay the Initiation Expenses and the TIF Incentive, to the extent permitted by the Act. The Developer may be the bond or note holder. The Board may pledge all or a portion of the TIF Revenues allocated to the Board pursuant to this Plan to the payment of such notes, bonds or other obligations, including, without limitation, principal and interest thereon, provided that the payment of any interest thereon shall not increase the TIF Maximum Amount. In no event will the obligations issued by the Board be considered a debt or obligation of the City or the County in any manner whatsoever, and the source of the funds to satisfy the Board's payment obligations thereunder shall be limited solely to the TIF Revenues and shall otherwise be non-recourse to the Board. Any debt obligation of the Board may be refinanced by the Board at any time as permitted by the Act, and upon such refinancing, available tax increment revenues shall be applied to the payment of such refinancing debt to the extent such tax increment revenues were to be used to pay the debt that is being refinanced. Any and all documents to be entered into by the Board with respect to the foregoing shall be in form and substance acceptable to the Board, in its sole discretion, and subject to the Developer completing the Board's application form and payment of its normal application fee.

12. Finding of Economic Benefit. The Board, the City and the County, by the adoption of this Plan, find that the Garage Project, which is making the provision of the remaining portions of the Development, including the hotel possible, is within an area that could provide substantial sources of tax revenues and economic activity to the City and the County, and find that the use of the TIF Revenues, as described herein, is in furtherance of promoting economic development in the City and the County, and that the use of the TIF Revenues as provided herein will develop trade and commerce in and adjacent to the City and the County, will contribute to the general welfare, and will alleviate conditions of unemployment; and that the construction and equipping of the Garage Project will be necessary and advantageous to the Board in furthering the purposes of the Act.

13. **Approval Process.**

(a) Pursuant to T.C.A. § 7-53-312, the process for the approval of this Plan is as follows:

(b) The Board shall hold a public hearing on this Plan after publishing notice of such hearing in a newspaper of general circulation in the City at least two 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, the Board shall submit the Economic Impact Plan to the City and County for their approval.

(c) The governing bodies of both the City and the County must approve this Plan for this Plan to be effective to both the City and the County. This Plan may be approved by resolution of the City Council and County Commission, whether or not the local charter provisions of the City or County provide otherwise. If the governing body of either the City or the County fails to approve this Plan, this Plan will not become effective. If either the City or County make any changes to this Plan in connection with their approval hereof, such changes must be approved by the Board following a public hearing related thereto, and such changes must also be approved by the City or County, as applicable.

(d) Once the governing body of the City and the County has approved this Plan, the Plan and related documents must be filed with the local taxing officials and the Comptroller of the State. Annual statements of incremental tax revenues allocated to the Board shall be filed with the State Board of Equalization. The Board will also comply with all other requirements of the Tax Increment Act and other applicable laws.

In witness whereof the parties hereto have entered into this Agreement as of the Effective Date.

APPROVED:

ATTEST:

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE RUTHERFORD COUNTY**

Secretary

(SEAL)

By: _____
Name: _____
Title: Chairman

**APPROVED:
CITY OF MURFREESBORO, TENNESSEE**

By: _____
Name: _____
Title: _____
Date: _____

**APPROVED:
RUTHERFORD COUNTY, TENNESSEE**

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT A

