

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL
DEVELOPMENT BOARD OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND
DAVIDSON COUNTY, TENNESSEE

July 14, 2015

The Board of Directors of the Industrial Development Board of the Metropolitan Government of Nashville and Davidson County (the "Board") met on Tuesday, July 14, 2015 at 10:00 a.m. in the Council Committee Room 2 in the Metropolitan Courthouse, Nashville, Tennessee.

Board members present were; Nicholas D. Bailey, Aubrey Gregory, Richard Fulton, Sharon Hurt, Andrea Perry, John Hobbs, Walter Searcy, Carnell Scruggs and Ginger Hausser.

Also present were: Counsel to the Board, Bob Tuke; Matt Wiltshire and Jackson Ferrell from Metro ECD; Cathy West from Metro Finance; Margaret Darby, Metro Legal Department; Jeremy Kane, Mayoral Candidate; Tom Trent from Bradley Arant Boult Cummings; Barry Cleveland from DBS & Associates Engineering; Chris Cannon from WTVF, Tim Sittema from Crossland Southeast; Paul Fassbender and Zach Alrutz from Asurion; Ron Colter from Metro Public Property; Sheri Weiner, District 22 Council Member; Scott Rayson from Waller Lansden Dortch & Davis LLP; Matthew Harris with Baker Donelson; and Steve Reiter, a member of the public.

Chairman Bailey asked if there were any changes to the IDB meeting minutes from June 16, 2015. There being none, a motion to approve the minutes was made by Ms. Hausser and seconded by Mr. Searcy. The motion was passed.

Committee Reports

There were no Committee Reports

New Business

Approval of Small Business Grant Agreement for Technology Advice

Since the Technology Advice was not present at the meeting, Mr. Searcy made a motion to defer until a later date when the Technology Advice can come before the board. Sharon Hurt seconded. The motion was then passed.

Approval of Asurion, LLC PILOT Agreement and Economic Development Grant Agreement.

Asurion is known for providing insurance for cell phones and other devices. Asurion has grown rapidly with over 3,900 employees in the Middle Tennessee area. The company announced plans in 2013 to open a technical service center in the Antioch area. Mr. Wiltshire reported that in order to induce Asurion to open this center, the city had negotiated a property tax abatement ("PILOT"), which capped the property taxes at the site at 2013 levels for four years, and a two- year job grant of \$500 per incremental job at the site that paid more than the average wage for the Nashville market, which is \$41,810. The PILOT requires that Asurion have at least 640 employees at the site in order to receive the tax abatement. The company has since opened the site and now employs 905 people there, which is well more than the 800 jobs to which the company had committed. The Metropolitan Council approved the PILOT structure and

the job grant in July 2015. The delay in the approval of the PILOT and the job grant was due to a change in ownership of the building that Asurion was occupying.

Mr. Wiltshire introduced Messrs. Fassbender and Alritz from Asurion to answer questions from the board. A question was asked regarding the location of the building and Mr. Fassbender replied it is located in Antioch. The company has four locations in Nashville with the headquarters in the Grassmere area. In response to a question regarding the types of jobs at the site, Mr. Wiltshire noted that the majority of the positions are call center jobs and therefore the pay will be below the average wage for Davidson County. Mr. Wiltshire continued that the administration feels it is important to add jobs at all income levels. Mr. Searcy asked about the average wage of the jobs at the site. Mr. Fassbender reported that it is \$36,000 and noted that the employees are eligible for health care. Mr. Searcy asked about the minority break down and was informed they would have to check on it. Ms. Hausser asked how many of the employees live in Davidson County. Mr. Fassbender stated that he didn't have the exact figure, but estimated conservatively that it was 65-70%. Chairman Bailey opened up for Public Hearing, no comments was made from the public. A motion to approve the PILOT and job grant agreements was made by Ms. Hausser and seconded by Mr. Gregory. The motion then passed.

Approval of Community Health Systems, Inc. PILOT Agreement

Mr. Wiltshire provided an overview of Community Health Systems (“CHS”), a publicly traded hospital management company headquartered in Williamson County and traded on the New York Stock Exchange. The company operates 199 hospitals in 29 states and has approximately 40,000 licensed beds. The company has completed several acquisitions and determined that it is in its best interest to consolidate certain back office positions in one location. CHS negotiated to acquire 35-37 acres from Oldacre McDonald, which is developing a 300-acre mixed use project on the west side of I-24 south of Bell Road. The plan is for CHS’ building to be 204,000 square feet, house an estimated 2,000 employees, and open in mid- to late-2017. The functions of the employees at the building will include IT, finance, and HR. The average wage for the employees is estimated to be approximately \$41,000 per year. As an incentive for CHS to locate this operation in Davidson County, the city proposed and the Metropolitan Council approved a PILOT structure that provided for an abatement of real property taxes of: 100% from occupancy through the end of 2019, 60% for 2020 through 2027, and 25% for 2028 through the 12 year anniversary of occupancy. The PILOT agreement includes certain benchmarks for number of employees at the site in order for the company to receive the tax abatement. Ms. Hurt brought up concerns about her community not having access to jobs, displaced workers and job opportunities. Mr. Tuke stated her concerns are addressed in the ordinance. Chairman Bailey disclosed his sister works for CHS and that he will not vote unless there is a tie. Chairman Bailey then opened the Public Hearing. There were no comments made from the public. A motion to approve the PILOT agreements was made by Mr. Searcy and seconded by Ms. Hausser. The motion then passed.

Approval of American General Life Insurance PILOT Agreement

Mr. Wiltshire reported that American General Life Insurance (“AGLIC”) is planning to occupy approximately 150,000 sf a new 200,000 sf office building that is being constructed by Highwoods Properties in the Seven Springs area – just north of Old Hickory Blvd and east of I-65. As an incentive for AGLIC to move to this building, retain 750 jobs in Davidson County and further grow is headcount here, the city proposed and the Metropolitan Council has approved a PILOT structure that provides for a

50% abatement on real property taxes for the space occupied by AGLIC for three years. In addition, for every 100 employees that the company adds above the 750 employees that it currently has the PILOT agreement will extend for an additional year. In response to a question about potential growth, Mr. Wiltshire noted that the additional space that could be occupied by AGLIC potentially could accommodate 200-300 additional employees, but that the company has not made a firm commitment to add staff in Nashville.

Randy Foster, a representative with AGLIC reported the types of jobs AIG will implement are customer service jobs dealing with claims and wholesalers from insurance agency (which has been a particular area of growth). AGLIC is extremely diverse and growing more diverse. Mr. Tuke brought to the attention of the board that AIG is vacating 14 adjacent acres, which leaves room for the redevelopment of that property. Mr. Wiltshire reported HCA is planning to relocate 500 positions to the building currently occupied by AGLIC. Chairman Bailey opened the matter for Public Hearing. There were no comments made from the public. A motion to approve the PILOT agreements made by Mr. Searcy and seconded by Ms. Hausser. The motion then passed.

Approval of American General Life Insurance Company Fast Track Economic Development Agreements

This matter was deferred to the next meeting.

Pending Business

Consideration of Dell Deed of Trust and Consent

Mr. Harris was present to request the Board to execute two documents, which did not require a vote by the Board. One document is the Joinder to the mortgage, in which the lender is asking the Board to consent to subjecting to the fee entrance to the Board's ownership interest in the property to the mortgage. The other document is a consent subordination and non-disturbance agreement, in which the bank is asking the board to consent to the lease hold mortgage. They are also requesting the board to give notices to LBA if there should ever be a default. Chairman Bailey asked the question "Who was responsible for making this report?" Mr. Tuke stated the obligation of the board is limited to which the board has knowledge to. Mr. Harris concluded the closing is scheduled for July 15, 2015. Councilman Bailey said that he would sign all forms after the meeting.

Approval of Amended Economic Impact for the Bellevue Mall Development Area.

Councilman Bailey opened the discussion of this matter by noting that when it was originally approved that a number of the current members of the Board were not members at that time. Councilman Bailey asked Mr. Wiltshire to provide a history and overview of the proposed redevelopment. Mr. Wiltshire reported the Board approved an economic impact plan for a redevelopment of Bellevue Mall in the fall 2007. There were some amendment and revised plans in 2008. Ultimately that plan did not come to fruition due, in part, to the economic downturn. A new development team is now in place and has put together a new plan. Mr. Wiltshire turned the floor over to Councilwoman Sheri Weiner, District 22 and the new development team. Councilwoman Weiner reported how Bellevue has risen and the factors that support a thriving community. She noted that the mall has had three potential developments that failed. She concluded that it is vital to redevelop this hole in the heart Bellevue. Tim Sittema, from Crosland

Southeast reported he has been working on this project for four years. The vision of the Bellevue project is a retail driven mixed-use development with a theater, a 300-unit multifamily residential development, a 120-room hotel and potential office sites. Mr. Sittema went on to explain that each of the product types will support each other, and that the development promotes walk ability. Mr. Fulton recounted history of the expansion of the areas where TIF could be utilized and noted concerns with using TIF in areas that had not been designated as blighted. There was discussion around the appropriate use of TIF.

Chairman Bailey opened for Public Hearing. There were no comments made from the public. A motion was made to approve the Economic Impact Plan by Mr. Scruggs and seconded by Mr. Gregory. The motion then passed.

Other Business

Approval of Financial Matters

Ms. West reported the current cash balance was \$604,900. The parking tickets are in the amount of \$38.00. Ms. West will email the invoice. Mr. Searcy moved approval for payment and Ms. Hauser seconded. The motion for payment was passed.

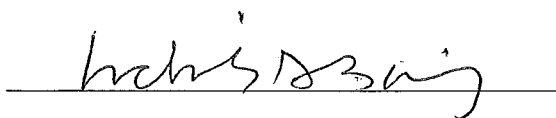
Schedule Next Board Meeting.

The next board meeting is scheduled for 10:a.m. Tuesday, August 18, 2015


Adjourn

The meeting was adjourned at 11:56a.m.

APPROVED, this 18th day of August, 2015



Nicholas D. Bailey, Chairman



Aubrey Gregory, Secretary-Treasure