

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

November 14, 2017

The Board of Directors of the Industrial Development Board of the Metropolitan Government of Nashville and Davidson County (the "Board") met on Tuesday, September 19, 2017 at 10:00 a.m. in Council Committee Room 2 at the Metropolitan Courthouse, Nashville, Tennessee 37201.

Board members present were: Ginger Hausser, Cristina Allen, Nigel Hodge, Aubrey Gregory, Ken Weaver, Chris Harmon, and Carnell Scruggs.

Also present were Bob Tuke, Trauger & Tuke; Matt Wiltshire, Metro ECD; Audra Ladd, Metro ECD; Cathy West, Metro Finance; Margaret Darby, Metro Legal; Tom Perry, A. Ray Hospitality; Dan Valenti, Associate Pathologists LLC; Carol Henderson, Cushion & Wakefield; Austin Ray, A. Ray Hospitality; Debra Chastain, HCA; Chris Bowles, Bradley; Anne Barrett, CLC; Michael Callan Kapoor, CLC.

Meeting Minutes:

Madam Chair asked if there were any corrections or discussion for the August 8, 2017 meeting minutes. There were two small corrections: a Board member's first name and a nominee title, which will be updated. Mr. Hodge made a motion to approve the meeting minutes as amended and it was seconded by Mr. Gregory. The Board voted and approved.

New Business:

Approval of HCA Parallon / Sarah Cannon FY2016 payment

Debra Chastain with HCA briefly described HCA Parallon / Sarah Cannon operation that is located in the Capitol View development that is just north of the Gulch. The company moved in 2016 to a 563,698 sq. ft. building; 483,044 sq. ft. of the space is office space. The space has a 53,973 sq. ft. conference center. HCA has invested \$215,000,000 in the building and another \$15,000,000 is left to manage upgrades, maintenance and unexpected occurrences.

In addition to the Capitol View project, the company leased space at 621 Main Street for overflow employees. At the end of 2016 HCA had approximately 1,600 employees at these locations and another 140 at support locations. Ms. Chastain and Mr. Wiltshire briefly described temporary support locations and functions that Nashville is benefiting from not included in the 2016 per-employee payment.

Ms. Chastain and the Board discussed the demographics of employees hired by HCA. Ms. Chastain noted the average salary is greater than \$90,000. As of August 8, 2012, 57.7% of new hires were from Davidson County, 24.34% were minorities and 53.08% were female. For the total employee count at Capitol View, 34.8% are from Davidson County, 50% are female, and 21.04% are minority. Mr. Wiltshire will provide a copy of demographics to the Board.

Ms. Chastain talked about HCA breaking ground on a 22,700 sq. ft. daycare with capacity to hold 160 children. The daycare will have two floors, a rooftop playground and gymnasium. HCA plans to invest approximately \$7.5 million on the daycare and June 1, 2018 is the target date to open.

The payment amount presented to the Board was \$612,500 for 1,225 employees hired in 2016. Madam Chair asked if there were any additional questions or discussion, there being none, Mr. Gregory made a motion to approve the HCA Parallon / Sarah Cannon CY2016 payment and it was seconded by Mr. Harmon. Ms. Allen abstained. The Board voted and approved.

Approval of Documents Related to the Keystone Automotive Industries, Inc. (LKQ) PILOT

Mr. Wilshire described LKQ as a publicly-traded auto parts salvage recovery company. LKQ operates a retail location near Dickerson Road and south of Trinity lane. The company is global and is headquartered in Chicago, Illinois. The company opened a North America corporate support center in Nashville at Grassmere Park several years ago but has outgrown the location.

LKQ has 415 employees in Nashville and plans to add 150 more jobs here. In order to retain and locate the company in Nashville the city offered a PILOT. The PILOT is 60% tax abatement on the increase in property tax at the location for 6 years. The new location for the company is in Antioch. The company's new building will accommodate the existing and new employees.

Mr. Chris Bowles with Bradley and Mr. Wilshire answered questions about the amount of employees existing and new, the tax abatement parameters, and the actual function of the company. Mr. Wilshire talked about the accountability provision in the tax abatement. Mr. Wiltshire noted the company has been asked to provide demographics.

Board members discussed demographics, how accountability is enforced, how minorities are made aware of new jobs. Suggested resources such as Nashville Career Center and Metro Nashville Office of Minority and Women Business Assistance were made for information on new businesses and jobs. Ms. Ladd described how PILOTS are planned between Metro entities for the best outcomes.

Mr. Gregory made a motion to approve the (LKQ) PILOT and it was seconded by Ms. Allen. The Board voted and approved.

Madam Chair moved the Approval of Right to Incur Costs Agreement for Keystone Automotive Industries, Inc. from Existing Business up on the agenda for a vote by the Board.

Mr. Bowles described the Right to Incur Costs Agreement for Keystone Automotive as a state FastTrack grant for \$1.95 million to incentivize impactful economic development projects. The agreement has to pass through a governmental entity and the contract includes three parties; the State, the Industrial Development Board and the company (Keystone Automotive Industries, Inc.). There will be no obligation/liability to the Board if final grant agreements are not signed Madam Chair asked what type of fund and Mr. Bowles clarified it was a flexible fund.

Mr. Hodge made a motion to approve the Right to Incur Costs Agreement for Keystone Automotive Industries Inc. and it was seconded by Mr. Gregory. The Board voted and approved.

Approval of Small Business Incentive Grant for A. Ray Hospitality

Mr. Austin Ray with A. Ray Hospitality described the operation as support for the restaurants owned by the company. The company is planning to add two additional restaurants, launching a food truck and a beer trailer. The company expects to hire 21 employees for Operations, Marketing, Information Technology and Human Resources. The average salary will be \$50,000 per year. Mr. Ray reviewed some the company's demographics for the Board. The company is 22% non-white, 27% female, senior leadership team is 50% female, and 83% live in Davidson County.

Ms. Ladd described the grant details as cash grant for 21 new hires in a 12 month period. The timeline is January 15, 2017 to January 14, 2018. The company is eligible to come before the Board again in February 2018 should they decide to hire more people.

Mr. Hodge made a motion to approve the Small Business Incentive Grant for A. Ray Hospitality and it was seconded by Mr. Weaver. The Board voted and approved.

Existing Business:

Approval of Documents Related to a FastTrack Economic Development Grant Agreement for Associate Pathologists, LLC

Mr. Wilshire explained the FastTrack Grant agreement as \$828,000 pass through state grant. The Board previously approved a Right to Incur Costs Agreement for the project. The project was a consolidation of different locations. Mr. Wiltshire introduced Dan Valenti with Associate Pathologists.

Mr. Valenti noted Associate Pathologists has been in Nashville for an extended time and has three laboratory locations at Grassmere Park. The three locations are being consolidated and located at Air Park. The existing 80,000 sq. ft. of lab facility is expected to grow to approximately 100,000 sq. ft. not including the additional 38,000 mezzanine. The mezzanine will house the technology department and some business operations.

Mr. Venti continued that the company expects to add about 209 jobs in Davidson County. The average salary will be around \$67,000 per year, the positions are lab techs and business operations. Board members and Mr. Venti discussed specifics on job qualifications and challenges of getting qualified candidates. Madam Chair noted the basis for why the Board is interested in demographics for new and existing companies in the Nashville area.

Mr. Scruggs made a motion to approve the documents related to a FastTrack Economic Development Grant Agreement for Associate Pathologists, LLC; it was seconded by Ms. Allen. The Board voted and approved.

Approval of Financial Matters:

Ms. West reported there were no expenditures.

Scheduled Next Board Meeting

The next Board meeting was scheduled for October 10, 2017.

Madam Chair and Ms. West reviewed options for moving the meeting to the Sonny West Location. The options given were the 4th Monday of the month and the 4th Thursday of the month. Mondays did not work for all Board members which made the 4th Thursday the only workable option. Ms. West suggested the meetings not start at 8:00 am due to the time the building opens and meetings cannot go over the time allotted. Board members agreed on the 4th Thursday with a start time of 10:00am.

Madam Chair asked if changes to the bylaws needed to be made and noted the website would need to be updated. The bylaws will be updated to the new location and the item will be added to the next agenda. The Board agreed to make the location change to start after the New Year.

Adjourn

The meeting was adjourned at 11:17 a.m.

APPROVED, this 14th day of November, 2017

Ginger Hausser, Chair

Aubrey Gregory, Secretary