

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 15, 2016

The Board of Directors of the Industrial Development Board of the Metropolitan Government of Nashville and Davidson County (the "Board") met on Tuesday, November 15, 2016 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, Carnell Scruggs, and Ken Weaver.

Also present were: Bob Tuke, Trauger & Tuke; Matt Wiltshire, Metro ECD; Cathy West, Metro Finance; Margaret Darby, Metro Legal; Audra Ladd, Metro ECD; Drew Burchfield, Aloompa LLC; James Weaver, Waller & Waller; Jesse Skinner, Bridgestone; William Cardenas, LIUNA/OUSSR; Jamari Brown, TNECD; Chassen Haynes, TNECD; Adam Sichko, Nashville Business Journal

Meeting Minutes:

Madam Chair opened the meeting asking if there were any corrections or discussion from last month's minutes. There being none, Ms. Allen made a motion to approve the Meeting Minutes and it was seconded by Mr. Weaver. The Board voted and approved.

New Business:

Approval of FastTrack Economic Development Grant Agreement for Sinomax East, Inc

The first item of new business was approval of FastTrack Grant Agreement for Sinomax East, Inc. Members of the state were present to present the Grant Agreement. Mr. Chassen Haynes with TNECD reviewed the grant agreement and summarized Sinomax' company profile. Sinomax plans to create approximately 350 jobs and invest approximately \$25 million in capital investments into the former Whirlpool facility located on the Davidson County side of LaVergne. Sinomax has retrofitted the Whirlpool building from a distribution warehouse facility to a heavy manufacturing facility. Mr. Haynes said Sinomax is ahead of their hiring schedule and are currently in production. Sinomax makes memory foam mattresses, pillows and mattress toppers. The LaVergne facility will supply all of the US market. Madam Chair asked Mr. Haynes to review what the elements of the FastTrack were. Mr. Haynes stated it was a \$525, 000 reimbursements for the building retrofit. Board members asked additional questions. Mr. Haynes responded. Madam Chair asked if there were any additional questions or discussion, there being none, Mr. Hodge made a motion to approve the FastTrack Grant Agreement for Sinomax East, Inc and it was seconded by Ms. Allen. The Board voted and approved.

Approval of Right to Incur Costs Agreement for Project A

The second item of new business was approval of Right to Incur Costs Agreement for Project A. Mr. Wiltshire reviewed the terms of Rights to Incur Costs Agreements generally and noted that that there is no liability for the Board. Mr. Jamari Brown with TNECD presented some background on Project A. Project expects to provide 200 jobs and invest \$5 million in capital investments with an average annual wage of around \$48, 000. The Company has elected to keep their name confidential as they are negotiating lease agreements. It is in the entertainment industry and may be located in the downtown area. Mr. Weaver asked if there was an incurred cost amount. Mr. Brown stated Project A has been offered a \$1million grant. Madam Chair asked if there were

any additional questions or discussion. There being none, Mr. Weaver made a motion to approve the Right to Incur Costs Agreement for Project A and it was seconded by Ms. Allen. The Board voted and approved.

Approval of Amended and Restated Economic and Community Development Incentive Grant Agreement for Bridgestone Americas, Inc

The third item of new business was approval of Amended and Restated Economic and Community Development Grant for Bridgestone Americas, Inc. Mr. Wilshire reviewed Bridgestone's previous approval. Bridgestone planned to construct a new headquarters downtown which the company is in the process of doing. The company had about 1,100 jobs in Davidson County and expected to add about 600 more jobs. After Bridgestone reviewed their workforce necessities they now expect to add 1,000 incremental jobs instead of 600 jobs. Bridgestone cannot house all of the additional workers in the downtown headquarters location and has made the decision to lease space in the former Hickory Hollow Mall. The leased space has advantages such as adequate parking and other businesses activity.

Mr. Wiltshire noted an Amendment to the job grant was being presented. Previously Bridgestone had a PILOT and a per job cash grant associated with the downtown location. The Hickory Hollow Mall facility will not have a property tax abatement but additional jobs at that location would count in the per job cash grant under the terms of the Amendment. No other portions of the original agreement have changed. Metro Council approved a Resolution enabling the Board to approve the Amendment at the October 18, 2016 meeting.

Mr. Jesse Skinner, General Counsel for Bridgestone went over the demographics of what type of jobs, locations of hiring groups, and diversity of individuals the company are considering to hire. Mr. Wiltshire briefly explained the specifics of the employee requirements to receive the cash grant incentive. Board members asked Mr. Skinner additional questions about demographics, wages and time frame for completion of locations. Mr. Skinner responded. Mr. Skinner also noted Bridgestone is invested in offering jobs in the Nashville area and will provide reports on the progress of diversity in hiring.

Mr. Wiltshire commended Bridgestone's impressive involvements with the community and request of partnerships to help the community. Mr. Hodge and Mr. Wiltshire discussed the timeline of cash grant approvals and opening of locations. Madam Chair asked if there were any additional questions or discussion. There being none, Mr. Hodge made a motion to approve the Amended and Restated Economic and Community Development Grant for Bridgestone Americas, Inc. and it was seconded by Ms. Allen. The Board voted and approved.

Approval of Small Business Incentive Grant for Aloomba LLC

The fourth item of new business was approval of a Small Business Incentive Grant for Aloomba LLC. Drew Burchfield with Aloomba LLC reviewed the company's profile. Aloomba is a software company that makes products for live events. Examples for the Nashville area would be the apps used instead of paper guides at the Country Music Festival and Bonnaroo. Aloomba will be relocating its offices to 8th Avenue. The company has approximately 31 employees with the expectation to have up to 50 employees in the next year. Board members asked questions about software apps, average wages and position types. Mr. Burchfield stated that average wages are about \$60,000 to \$80,000 per year, and most positions are software developers. Ms. Allen asked if positions were to be filled by people in the Nashville area. Mr. Burchfield says they can hire locally if the company can find qualified candidates. The Board encouraged the company to be more diverse with demographics. Ms. Ladd gave some stats on the demographics. The Board gave other suggestions for demographics and hiring sources. Ms. Ladd gave additional information to Board about how the grant of \$7000 will be used. Aloomba will receive one payment for 14 new hires (\$500 per employee) in a 12 month period.

Madam Chair asked if there were any additional questions or discussion. There being none, Mr. Weaver made a motion to approve the Small Business Incentive Grant for Aloompa LLC and it was seconded by Mr. Hodge. The Board voted and approved.

Existing Business:

Update on the Autumn Hills Assisted Living Facility Project (ACLF Holdings, LLC)

Mr. Wiltshire gave an update on Autumn Hills informing the Board. There has been no change in reference to closing on the sale of the facility. The city is continuing to review Autumn Hills' ability to perform financially and operationally. The city is not prepared to close on the transaction as due additional request for information from Autumn Hill remain outstanding. Mr. Hodge asked if the audit of the facility had been completed and Mr. Wiltshire said it is incomplete and he did not have an expected completion date for the audit.

Madam Chair asked if the Board agrees that Mr. Wiltshire should continue to give updates on the Autumn Hills matter at future Board Meeting until all matters are settled. Board members and Mr. Wiltshire agreed to Madam Chair's request for updates.

Approval of Financial Matters

Ms. West reported there was one parking ticket invoice for \$82.00 for the September meeting. Ms. West reminded Board to make certain parking tickets were signed with name and IDB written on ticket. Ms. West noted cash balance of \$622,000. Mr. Hodge made a motion to pay the parking bill and it was seconded by Mr. Weaver. The Board voted and approved the expenditure.

Mr. Hodge requested that the material to be present to the board be added to the agenda. Mr. Wiltshire will add Mr. Hodge's request to the next Board's agenda.

Scheduled Next Board Meeting

The next Board meeting was scheduled for December 14, 2016.

Adjourn

The meeting was adjourned at 10:49 a.m.

APPROVED, this 14th day of December, 2016

Ginger Hausser, Chair

Aubrey Gregory, Secretary