

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

December 20, 2018

The Board of Directors of the Industrial Development Board of the Metropolitan Government of Nashville and Davidson County (the “Board”) met on Thursday, November 15, 2018 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, Quin Segall, Carnell Scruggs, Lindsey Cox and Andrea Perry.

Also present were: Bob Tuke, Trauger & Tuke; Matt Wiltshire, Metro ECD; Cathy West, Metro Finance; Sujuor Patel, Dinsmore & Shohl; Lilyian Blackshear, Bass, Berry & Sims PLC; Ryan Lunderby, Dominion; Frank Hogan and Michael Callahan-Kapos, Stand Up Nashville.

Meeting Minutes:

Madam Chair asked if there were any corrections or discussion for the October 25, 2018 meeting minutes. There being none, Ms. Allen made a motion to approve the meeting minutes and it was seconded by Ms. Segall. The Board voted and approved.

Election of Officers:

Board voted and approved new Board Officers. Madam Chair called for a motion for nomination of Chair. Nigel Hodge nominated Ginger Hausser as Chair. Madam Chair relinquished Chair position for vote. The Board voted and approved Ginger Hausser for Chair position.

Madam Chair addressed the Balance of the Slate and recommended that the Officers remain the same: Vice Chair – Nigel Hodge, Secretary / Treasurer – Aubrey Gregory, and Assistant Secretary – Andrea Perry. The Board voted and approved .

Items for Approval:

Bellevue TIF Amendment

Mr. Wiltshire gave a brief summary of the Bellevue TIF Amendment. This matter came before the Board during the October 2018 meeting and the Board approved. After the Board approved, the Bellevue TIF Amendment had to be approved by Metro Council. Metro Council also approved the amendment.

Ms. Blackshear (Bass, Berry, and Sims PLC) provided more detail regarding the Bellevue TIF Amendment. We are now in the stage where it needs to be verified that the bond documents reflect what took place during the last Board meeting. The first amendment to the trust adventure basically attaches the revised Economic Impact Plan to the document.

Madam Chair asked if there were any other questions or discussion for Bellevue TIF Amendment. There being none, Mr. Gregory made a motion to approve the Bellevue TIF Amendment. The motion was seconded by Ms. Perry. The Board voted and approved.

Subordinate Multifamily Housing Revenue Bonds for Preserve at Highland Ridge Project

Mr. Tuke gave a brief history of the previously approved PILOT and details of the financing. The PILOT was approved by the Board in 2017. The development has continued to mature. The developers and financing companies have been diligent in providing documentation. The transaction has moved forward and has been successful with the Tennessee Development and Housing Agency. The zoning has been successful also.

With that being said, the project is ready to move forward. There are limits on the amount of financing available through this program. The limit for 2018 is approximately 25 million dollars. They have designed the financing to be within the limits. The financing has also been designed so that the Board can approve bonds that would pay off the PILOT. There are an additional series of bonds that are proposed to be approved in the resolution that is before the Board today. The resolution has an increased amount of \$54,525,000 (if all potential notes and bonds are issued). This will finance 261 units at the Preserve at Highland Ridge which is at 3474 Dickerson Pike. The resolution before the Board is the latest draft.

Mr. Lunderby (Dominium) gave details regarding the property. The Highland Ridge Project is a 261 unit, 100% affordable housing community. All units will be affordable to those earning 60% or less of the area earned income. The rate depends on the number of residence in the household. These are one, two and three bedroom units. The property will include several amenities and onsite management.

Mr. Patel (Dinsmore & Shohl) gave details regarding financing. There are three pieces to the financing. There is two series of notes (one is tax exempt and one is taxable) which were issued in 2018. There is also a subordinate bond. The two notes are being purchased by US Bank Construction Lender. There is also tax credit equity coming in as well. The tax exempt note is intended to be long term. The taxable note is intended primarily to bridge the tax credit equity but can also convert to long term if needed. US Bank purchased the additional cap needed (six million) for the project. This can be done by bridging two fiscal years.

The subordinate piece is related to the PILOT agreement. The PILOT agreement was securitized. The taxes have been reduced for a certain number of years. These savings that would otherwise be used to pay taxes will be used toward payment on the subordinate bond.

Madam Chair opened the discussion for a public hearing. There being no questions or comments, Madam Chair closed the public hearing.

Madam Chair asked if there were any other questions or discussion for Subordinate Multifamily Housing Revenue Bonds for Preserve at Highland Ridge Project. There being none, Mr. Gregory made a motion to approve the Subordinate Multifamily Housing Revenue Bonds for Preserve at Highland Ridge Project. The motion was seconded by Ms. Allen. The Board voted and approved.

Discussion Items:

Mr. Wiltshire stated that NomNom, a high-end organic pet food company, announced that they have plans to add 180 jobs for manufacturing in the Madison area. Bernstein Young announced that they were adding 600 jobs in Nashville (200 – IT positions / 400 – tax professionals). Amazon announced Nashville as the location for an Operations Center of Excellence, which will add 5,000 jobs with an average annual salary of \$155,000.

Approval of Financial Matters:

Ms. West reported there was an invoice for \$43.13. Mr. Hodge made a motion to pay the invoice and it was seconded by Ms. Allen. The Board voted and approved the expenditure.

Scheduled Next Board Meeting

The next Board meeting was scheduled for December 20, 2018.

Adjourn

The meeting was adjourned at 11:00 a.m.

APPROVED, this 20th day of December 2018.

Ginger Hausser, Chair

Aubrey Gregory, Secretary