

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

September 20, 2016

The Board of Directors of the Industrial Development Board of the Metropolitan Government of Nashville and Davidson County (the "Board") met on Tuesday, September 20, 2016 at 10:00 a.m. in Council Committee Room 2 at the Metropolitan Courthouse, Nashville, Tennessee 37201.

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

Also present were: Bob Tuke, Trauger & Tuke; Matt Wiltshire, Metro ECD; Cathy West, Metro Finance; Jason Bobo, Metro Legal; Russ Miller, Bass Berry & Sims; Kelly Hunter, YMCA of Middle TN; Bob Stinnett, WTVF; Jennifer Kraus, WTVF; Mike Brent, Bradley Arant Boult Cummings; Jim Shulman, Metro Council; Mike Hampton, Healthcare Asset Management; and Sam Latham, Urban Nashville.

**Meeting Minutes:**

Madam Chair opened the meeting asking if there were any corrections or discussion from last month's minutes. Mr. Hodge made a motion to approve the Meeting Minutes and it was seconded by Mr. Gregory. The Board voted and approved the minutes from August 2, 2016.

**New Business:**

**Approval of FastTrack Economic Development Grant Agreements with The Harris Soup Company dba Harry's Fresh Foods**

The first item of business was the consideration of agreements related to a FastTrack Economic Development Grant from the State of Tennessee for the benefit of The Harris Soup Company dba Harry's Fresh Foods. Mr. Wiltshire described the company and its investment in a facility in Nashville formerly operated by Oberto Foods. Mr. Wiltshire described the terms of the grant and reported that the grant totaled \$950,000, all of which will be funded by the State. Mr. Harmon made a motion to approve the FastTrack Economic Development Grant Agreements with The Harris Soup Company dba Harry's Fresh Foods and it was seconded by Mr. Hodge. Madam Chair asked if there was any other discussion and, there being none, the Board voted and approved the agreements.

**Approval of FastTrack Economic Development Grant Agreements with Hankook Tire America Corporation**

The second item of business was the consideration of agreements related to a FastTrack Economic Development Grant from the State of Tennessee for the benefit of Hankook Tire Corporation. Mr. Wiltshire described the company and its decision to relocate its headquarters from New Jersey to Nashville. Mr. Wiltshire described the terms of the grant from the state and reported that the grant totaled \$2,715,000, all of which will be funded by the State. Mr. Fulton made a motion to approve the FastTrack Economic Development Grant Agreements with Hankook Tire Corporation and it was seconded by Mr. Harmon. Madam Chair asked if there was any other discussion and, there being none, the Board voted and approved the agreements.

### **Approval of Resolution Authorizing Amendments to Bonds Related to the YMCA of Middle Tennessee Project**

The third item of business was the consideration of a resolution authorizing amendments to bonds related to the YMCA of Middle Tennessee projects. Mr. Miller described the history of the bond issuance by the YMCA of Middle Tennessee, provided updates on the facilities owned and operated by the YMCA of Middle Tennessee, and discussed the implications of the sale by the YMCA of Middle Tennessee of certain properties that had previously been funded by the proceeds from the bonds. Ms. Hunter provided additional description of the YMCA of Middle Tennessee's facilities. Madam Chair opened a TEFRA Hearing on the matter. No public comments were made and the Chair closed the hearing. Mr. Miller noted that all of the bonds are owned by SunTrust Bank and that the bank is aware of and supportive of the amendments. Mr. Miller and Ms. Hunter answered questions from members of the Board about the operations of the YMCA of Middle Tennessee and the bonds. Mr. Weaver made a motion to approve the Resolution Authorizing Amendments to Bonds Related to the YMCA of Middle Tennessee Project and it was seconded by Ms. Allen. Madam Chair asked if there was any other discussion and, there being none, the Board voted and approved the resolution.

### **Approval of Signature of CBID Petition**

The fourth item of business was the consideration of a petition to authorize the renewal of the Central Business Improvement District ("CBID"), which covers part of downtown Nashville. Mr. Wiltshire stated that CBID is set to expire and that the Metropolitan Council has authorized the board of the CBID to seek a renewal of the CBID. The renewal requires that at least 50% of the property owners in the CBID and owners representing at least 2/3 of the property value in the CBID sign petitions approving of the terms of the CBID. Mr. Wiltshire noted that because the Board had approved PILOT agreements for property where the Omni Hotel is located and where Highwood Properties is building a headquarters for Bridgestone Americas, that the Board was the owner of record of those properties. Mr. Wiltshire answered various questions from the members of the Board regarding the CBID and the properties in question. Mr. Fulton made a motion to authorize the Chair to sign the petition upon receipt of written approval by Bridgestone Americas and the Omni and it was seconded by Ms. Perry. Madam Chair asked if there was any other discussion and, there being none, the Board voted and approved the motion.

### **Information on UBS Employees**

The fifth item of business was information on UBS employees that had been requested by the Board. Mr. Wiltshire noted that the Board had approved a "per-job" grant payment to UBS at the August meeting and that the Board had requested at that time that UBS provide information on its employees to the Board at a future meeting. Mr. Wiltshire provided a letter from UBS detailing its recruiting and philanthropic efforts. Various members of the Board remarked on UBS' significant investment in the Nashville community. Madam Chair requested that the city include a requirement in future per job grant agreements that companies receiving those grants provide demographic information on their employees to the Board. Mr. Hodge noted that specifically the Board should request: average wage, race, gender, and county of residence. Members of the Board discussed issues and concerns with requiring this information. Madam Chair suggested that interested members of the Board could meet at a future time to discuss the matter further.

## **Approval of Resolution Authorizing Sale of Bonds Related to the Autumn Hills Assisted Living Facility Project**

The sixth item of business was consideration of a resolution authorizing the sale of bonds related to the Autumn Hills Assisted Living Facility project. Mr. Brent, who represents the borrower, provided a summary of the proposed financing and related transactions. Mr. Scruggs asked questions regarding the terms of the proposed bonds, the legal and financial structure of the proposed borrower, and the history of the facility that would be acquired with a portion of the proceeds of the proposed bonds. Mr. Brent responded to each of these questions. Mr. Fulton asked questions about recent news reports on the financial and operational conditions at the facility. Mr. Hampton discussed the current conditions at the facility and the plans for the future. Mr. Harmon asked about the relationship between various entities involved in the proposed transactions. Mr. Hampton stated that the entities did not share board members or officers and that there was no relationship other than contractual agreements on the sale and operations of the facility. Mr. Scruggs asked Mr. Tuke what information he had reviewed on the proposed transactions. Mr. Tuke stated that he had reviewed various documents related to the proposed financing and that he found it to be lawful and that it met the legal requirements of the enabling legislation. Mr. Latham then addressed the Board and detailed the improvements that had been made to the financial performance of the facility and discussed the operations and plans for the future. Mr. Hodge made a motion to defer the consideration of the resolution. Members of the Board requested various items in advance of further consideration of the matter, including: a written response to recent news reports, an organizational chart of the management of the facility, an organizational chart of the entities involved, financial pro forma of the operations, and any additional that the city would like to provide. Madam Chair opened a TEFRA Hearing on this issue. Councilman Shulman addressed the Board and expressed concerns about the operations and conditions of the facility. Mr. Hampton responded to the questions raised by Mr. Shulman. Madam Chair closed the public hearing and renewed Mr. Hodge's motion to defer consideration of this matter until the Board can review the requested information. Mr. Scruggs seconded the motion. Madam Chair asked if there was any other discussion and, there being none, the Board voted and approved the motion. Ms. Perry abstained.

### **Discussion on New Market Tax Credits**

Mr. Wiltshire briefly reviewed previous discussions with the Board on New Market Tax Credits. Mr. Wiltshire then reported that, based on further conversations with experts on New Market Tax Credits, he believes that the Board would not be well served by engaging a third party to arrange deals. Mr. Wiltshire committed to work to educate the development community on the potential to utilize New Market Tax Credits. Mr. Scruggs suggested that Mr. Wiltshire provide information on New Market Tax Credit financing opportunities to members of the Metropolitan Council whose districts include areas that would qualify, which he agreed to do.

### **Additional New Business Item**

Mr. Scruggs requested that the Board review its policies as to what information would be provided to members of the Board prior to its consideration of various matters. Various members of the Board expressed a desire for Mr. Wiltshire agreed to meet separately with Mr. Fulton and Mr. Scruggs to discuss refining the policies and procedures regarding providing information to the Board on matters. Mr. Wiltshire stated that he would report to the Board on this issue at the next meeting.

**Approval of Financial Matters**

Ms. West reported there was one parking ticket invoice for \$66.00 for the July meeting. Mr. Fulton made a motion to pay the parking bill and it was seconded by Ms. Allen. The Board voted and approved the expenditure.

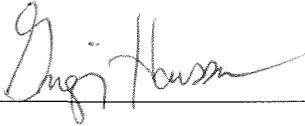
**Scheduled Next Board Meeting**

The next Board meeting was scheduled for October 11, 2016.

**Adjourn**

The meeting was adjourned at 11:32 a.m.

APPROVED, this 11<sup>th</sup> day of October, 2016



Ginger Hausser, Chair



Aubrey Gregory, Secretary