

**INDUSTRIAL DEVELOPMENT BOARD (IDB)
OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**

**BOARD OF DIRECTORS MEETING
WEDNESDAY, OCTOBER 19, 2022
10:00 A.M.**

Board of Directors

Nigel Hodge (Chair), Quin Segall (Vice-Chair), Winnie Forrester (Secretary), Cristina Oakeley (Vice-Secretary), Anthony Davis, Sarah Hannah, Tequila Johnson, Brian Cordova, and Mark Wright

Meeting & Parking Location Information

The meeting will be held at the National Museum of African American Music at 510 Broadway, Nashville, TN 37203 in the BMI Boardroom. Parking is available in the garage and lots surrounding the building.

I. New Business

a. **Philips Holding USA, Inc.**

- Applicable Project – Philips Center of Expertise
- Term – 7 years; 1st Grant Year 2019; Last Grant Year 2025 (final payment FY27)
- Grant Amount - \$500/Philips Jobs as of 12/31 of grant year.
- FY23 Appropriation - \$326,500.00

b. **HCA Holdings, Inc.**

- Applicable Project – Charlotte & 11th Ave (570,000 rentable sq ft); One Dell Pkwy (120,000 rentable sq ft); 2000 American General Way (300,000 rentable sq ft)
- Term – 7 years; 1st Grant Year 2016; Last Grant Year 2022
- Grant amount - \$500/incremental company entity positions as of 12/31 of any grant year
- FY23 Appropriation - \$1,104,500.00

II. Discussion of the Do Better Bill

The Do Better Bill was approved in 2018 with Council Member Anthony Davis as the lead sponsor. It applies to both economic and community development incentive grant agreements and PILOT agreements. The Do Better Bill applied to incentive deals for Amazon and AllianceBernstein. The Mayor's office of economic and community development (ECD) shall solicit from qualified companies seeking a grant or PILOT incentive for a project, a project proposal that addresses the following:

- Type and number of jobs created
- Establishment of a workforce plan
- Whether the qualified project will involve the use of apprentices from programs certified by the U.S. Department of Labor.
- Number and type within the preceding seven (7) years of violations assessed by the U.S. Department of Labor - OSHA and/or by TN OSHA

The Do Better Bill also provides Metro Council with the ability to terminate or suspend the incentive upon the affirmative votes of at least twenty-one members should the qualified company fail to comply with the incentive agreement.

The Bill was amended in August 2022 to require that the company report whether it provides its employees with assistance that includes covering the cost of transportation, etc. to obtain medical treatment that is only available outside of the employee's home state. This includes travel for reproductive healthcare treatment such as abortion.

III. Discussion of the Madison Station Economic Impact Plan

Industrial development corporations are authorized to prepare and submit economic impact plans to metropolitan governments. The IDB act also gives cities, counties, and metropolitan governments the authority to pledge new incremental tax revenues arising from the redevelopment subject to the economic impact plan to pay the cost of projects and public infrastructure or to pay the debt service on bonds or other obligations.

Tax Increment Financing Overview – The increment is the amount that taxes increase due to the proposed project and/or development. This future stream of payments works as collateral for a loan to provide financing upfront to complete the project. Hence, the future increased revenue in taxes is utilized to repay the loan. There is not any recourse to the local government or ex. IDB for the loan.

IDB TIF Process – IDB first approves an Economic Impact Plan, which then must be approved by Metro Council. Subsequently, the developer can secure financing, which the IDB must approve.

Examples – Bellevue Mall Redevelopment and Oracle (approved 2021).

Proposed Madison Station Project

- Located on 32.4 acres at 721 Madison Square, Madison, TN
- Mixed-use development of approximately 1.7 million square feet of 4- to 7-story residential, retail, and office space
- *Affordable Housing* – Up to 170 units (10%) of the multifamily units developed to be affordable at 60% - 80% of the Area Median Income.
- Public improvements include 2,450 linear feet of public streets, a neighborhood transit center, multiple pocket parks, event plaza, and a pedestrian-friendly, public greenway

Third Party Economic Impact Analysis of Proposed Project

- The \$631.4 million investment in the Project is anticipated to create 545 average annual direct construction jobs onsite; 732 average annual total jobs in the local area and annual total labor income of \$608.8 million in the local area over the 10-year construction period.
- Upon completion of the project and occupancy of the nearly 1,700 units, the project is expected to create 845 direct permanent jobs onsite and annual total labor income of \$185.2 million in the local area.
- Anticipated to produce approximately \$245.4 million in new property taxes over the course of the 30-year payback period.