City of Bartlett

A. Keith McDonald, Mayor

BOARD OF MAYOR AND ALDERMEN MEETING AGENDA

TUESDAY, NOVEMBER 23, 2021 - BARTLETT CITY HALL - 6:00 PM

INVOCATION

Opening Prayer by Mayor A. Keith McDonald

FUTURE MEETINGS

Planning Commission (Special Called), November 29 at 7 p.m.

Board of Mayor and Aldermen Meeting (Special Called), November 30 at 6 p.m.

City Beautiful Commission, December 2 at 6:30 p.m.

Family Assistance Commission, December 6 at 6 p.m.

Beer Board, December 7 at 6 p.m.

RECOGNITIONS

Official Business of the Day

MINUTES ACCEPTANCE

Minutes of the November 9, 2021 Board of Mayor and Aldermen Regular Meeting

NEW BUSINESS

1 Resolution 34-21, a resolution to approve the Industrial Development Board of the City of Bartlett, Tennessee's Economic Impact Development Plan for the Union Depot Mixed Use Development Tax Increment Financing application. (Kim Taylor, Director of Planning and Economic Development)

OPEN DISCUSSION

ADJOURNMENT

City of Bartlett

A. Keith McDonald, Mayor

BOARD OF MAYOR AND ALDERMEN MEETING MINUTES

TUESDAY, NOVEMBER 9, 2021 - BARTLETT CITY HALL - 6:00 PM

ATTENDANCE

Mayor A. Keith McDonald: Absent, Alderman W.C. Pleasant: Present, Alderman Emily Elliott: Present, Alderman David Parsons: Present, Alderman Bobby Simmons: Present, Vice Mayor Jack Young: Present, Alderman Kevin Quinn: Present.

INVOCATION

Opening Prayer by Vice Mayor Jack Young

FUTURE MEETINGS

Bartlett Station Commission (Special Called), November 10 at 7:30 a.m.

Bartlett Arts Council, November 16 at 6 p.m.

BPACC Advisory Board, November 16 at 6 p.m.

Design Review Commission, November 16 at 6:30 p.m.

Industrial Development Board (Special Called), November 18 at 7 p.m.

RECOGNITIONS

Check presentation to Youth Villages

National Arbor Day Proclamation

*****Official Business of the Day*****

MINUTES ACCEPTANCE

Minutes of the October 26, 2021 Board of Mayor and Aldermen Regular Meeting

RESULT:	**ACCEPTED [UNANIMOUS]**
MOVER:	Bobby Simmons, Alderman
SECONDER:	W.C. Pleasant, Alderman
AYES:	Pleasant, Elliott, Parsons, Simmons, Young, Quinn

CONSENT AGENDA

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	W.C. Pleasant, Alderman
SECONDER:	Emily Elliott, Alderman
AYES:	Pleasant, Elliott, Parsons, Simmons, Young, Quinn

1 Special event permit for Christmas in Bartlett Market & Festivities. (Jim Brown, Director of Code Enforcement)

The event will be held on Friday, December 10 from 4:30 p.m. to 7:30 p.m. and Saturday, December 11 from 9:00 a.m. to 4:00 p.m. at W.J. Freeman Park.

2 Subdivision contract for Walter & Virginue Davis Manor Subdivision. (John Horne, Assistant Director of Engineering)

The developers: Steven Jackson, Jerri Jackson, Antwan Robinson, and Stephanie Robinson, will pay $11,375.00 in City fees. The bond is set at $13,460.00.

3 Purchase of Orion water meters. (Dick Phebus, Director of Finance)

Recommend accepting quote for 888 Orion meters from Badger Meter, a single source supplier for Orion meters at a total cost of $127,978.38. Funds are available in Account 510.51100.935.

4 Treasurer's Report for September 2021. (Dick Phebus, Director of Finance)

Budgeted Expenditures	$87,957,409
Year-to-date Expenditures	$29,695,111
Budgeted Revenues	$87,957,409
Year-to-date Revenues	$17,562,210

NEW BUSINESS

1 Reestablish the November 23, 2021 Board of Mayor and Aldermen meeting. (Mark Brown, Chief Administrative Officer)

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	David Parsons, Alderman
SECONDER:	Emily Elliott, Alderman
AYES:	Pleasant, Elliott, Parsons, Simmons, Young, Quinn

2 Proposal to name the new fleet maintenance facility the A. Keith McDonald Fleet Maintenance Facility in honor of A. Keith McDonald. (Jack Young, Vice Mayor)

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	W.C. Pleasant, Alderman
SECONDER:	David Parsons, Alderman
AYES:	Pleasant, Elliott, Parsons, Simmons, Young, Quinn

3 Resolution 33-21, a resolution to amend the City of Bartlett FY2022 American Rescue Plan Act Fund to provide for resources to respond to the current public health emergency as authorized in the American Rescue Plan Act (ARPA). (Dick Phebus, Director of Finance)

Director of Finance Dick Phebus stated that this resolution was to reimburse Saint Francis Hospital Bartlett up to $1million upon receipt of qualified expenses following the American Rescue Plan Act guidelines.
Alderman Elliott read a statement that she is a member of the board at Saint Francis Hospital Bartlett, but will receive no benefit from the proposed resolution. Alderman Parsons mentioned his gratefulness of having a hospital in Bartlett for its citizens.
Alderman Quinn made note that the hospital was owned by Tenet Healthcare and their current earnings are $2 billion with over a $100 million this quarter. He stated he wanted to spend the funds with the best and highest use for Bartlett citizens.
Alderman Elliott stated that this was an approved usage of the ARPA funds.
Vice Mayor Young advised the citizens that there are requirements for how ARPA funds are spent and they are trying to spend those dollars wisely for the citizens of Bartlett.

RESULT:	**APPROVED [5 TO 1]**
MOVER:	Bobby Simmons, Alderman
SECONDER:	W.C. Pleasant, Alderman
AYES:	Pleasant, Elliott, Parsons, Simmons, Young
NAYS:	Quinn

4 Tax Increment Financing Program briefing for Union Depot project. (Mark Brown, Chief Administrative Officer)

Dexter Muller, consultant with Grant Homes, briefed the Board of Mayor and Aldermen regarding a proposed mixed used development at the corner of Highways 70 and 64 at the former Baptist Home for Children. He advised that the project goes before the Shelby County Economic Development Committee on November 10, 2021. Grant Homes is under contract to purchase the 73.9 acres with contingency. He cited that the development would generate tax income and pose possible sewer extension solutions. The proposed development would include: 158 single family housing units, 92 townhomes, 62 lofts above commercial properties, and 334 multi-family flats.

RESULT:	**NO VOTE REQUIRED**

OPEN DISCUSSION

Alderman Elliott announced the Veterans Day Ceremony on Thursday, November 11 at 10 a.m. at Veterans Park or at the A. Keith McDonald Pavilion if inclement weather.

ADJOURNMENT

Meeting adjourned at 6:36 PM

W.C. Pleasant, Register to the
Board of Mayor and Aldermen

A. Keith McDonald, Mayor

Board of Mayor and Aldermen
6400 Stage Road
Bartlett, TN 38134

SCHEDULED

RESOLUTION (ID # 3067)

Meeting: 11/23/21 06:00 PM
Department: Planning and Economic Development
Category: Agreement
Prepared By: Penny Medlock
Initiator: Kim Taylor
Sponsors:
DOC ID: 3067

Resolution 34-21, a resolution to approve the Industrial Development Board of the City of Bartlett, Tennessee's Economic Impact Development Plan for the Union Depot Mixed Use Development Tax Increment Financing application.

WHEREAS, the Board of Mayor and Aldermen for the City of Bartlett is required to approve Economic Impact Plans recommend by the Industrial Development Board of the City of Bartlett, Tennessee (the "Industrial Development Board"); and

WHEREAS, the Industrial Development Board conducted a public hearing on the Economic Impact Plan and TIF application from Blue Sky Communities, Inc., in an open, public meeting on November 18, 2021 regarding the contracted purchase of an approximate 73.9 acre tract of land located at 6896 U.S. Highway 70 in Bartlett, Tennessee; and

WHEREAS, the Industrial Development Board found and determined that the submitted Economic Impact Plan meets the requirements of the Act, will create and foster a vibrant, mixed-use center for the City of Bartlett, create jobs, generate taxes, and otherwise further the purposes of the Act; and

WHEREAS, the Industrial Development Board approved and confirmed on November 18, 2021 the Economic Impact Plan and TIF application from Blue Sky Communities, Inc. for the property located at 6896 U.S. Highway 70 in Bartlett, Tennessee with a favorable recommendation;

NOW THEREFORE BE IT RESOLVED By the Board of Mayor and Aldermen of the City of Bartlett that the Economic Impact Plan and TIF application from Blue Sky Communities, Inc., and recommended by the Industrial Development Board for the mixed-use development of Union Depot at the property located at 6896 U.S. Highway 70 in Bartlett, Tennessee are approved.

Adopted this day of November 23, 2021

___________________________ ______________________________

W.C. Pleasant, Register to the A. Keith McDonald, Mayor

Board of Mayor and Aldermen

Attest: _____________________________

Penny Medlock, City Clerk

RESOLUTION RELATED TO THE ECONOMIC IMPACT PLAN FOR THE UNION DEPOT MIXED USE DEVELOPMENT (THE "ECONOMIC IMPACT PLAN") BY THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF BARTLETT, TENNESSEE

WHEREAS, the Industrial Development Board of the City of Bartlett, Tennessee (the "Board") is a nonprofit corporation duly organized and existing under and by virtue of the laws of the State of Tennessee and is empowered and authorized by Sections 7-53-101 et seq., Tennessee Code Annotated (the "Act") to prepare and submit to the City of Bartlett, Tennessee, and the County of Shelby, Tennessee, an economic impact plan with respect to an area that includes a project within the meaning of Tennessee Code Annotated Section 7-53-101; and

WHEREAS, Blue Sky Communities, Inc., a Tennessee corporation ("Blue Sky") has contracted to purchase an approximate 73.9 acre tract of land located at 6896 U.S. Highway 70 in Bartlett, Tennessee (the "Property") as more particularly described in the Economic Impact Plan (the "Plan Area"); and

WHEREAS, Blue Sky or one or more affiliates thereof ("Developer") desires to construct a mixed use development on the Property which shall consist of retail and commercial uses and residential projects; and

WHEREAS, the Economic Impact Plan provides for the distribution of incremental ad valorem property taxes ("TIF Revenues") to the Board to pay the Eligible Costs of the Planned Improvements or to pay the debt service on any TIF Obligations issued by the Board, as such terms are defined in the Economic Impact Plan, and

WHEREAS, Blue Sky has prepared and submitted to the Board, the Economic Impact Plan; and

WHEREAS, a Development Agreement between the Board and Developer (the "Development Agreement") shall be subsequently negotiated between the parties; and

WHEREAS, the Economic Impact Plan provides that the TIF Revenues will be used to finance the Planned Improvements as such term is described in the Economic Impact Plan; and

WHEREAS, the Board has reviewed the Economic Impact Plan in an open, public meeting; and

WHEREAS, the Board has conducted a public hearing on the Economic Impact Plan held at least two (2) weeks after public notice of the hearing was published in accordance with Tennessee Code Annotated Section 7-53-312(g); and

WHEREAS, the Board desires to submit the Economic Impact Plan to the Board of Mayor and Aldermen of City of Bartlett, Tennessee (the "Board of Aldermen") and to the Board of Commissioners of County of Shelby, Tennessee (the "County Commission"); and

WHEREAS, the Board desires, subject to the prior approval of the Economic Impact Plan by both the Board of Aldermen and the County Commission in the form of that which is submitted to both such bodies, to execute, enter into, and deliver to Developer, the Development Agreement;

WHEREAS, it appears that the Economic Impact Plan is in appropriate form and is an appropriate instrument to be accepted or executed and delivered by the Board for the purpose intended; and

WHEREAS, the Board has determined that the Economic Impact Plan would further the purposes of the Act.

NOW, THEREFORE, BE IT RESOLVED, by the Industrial Development Board of the City of Bartlett, Tennessee as follows:

1. It is hereby found and determined by the Board that the Economic Impact Plan meets the requirement of the Act, will create and foster a vibrant, mixed-use center for the City of Bartlett, create jobs, generate taxes, and otherwise further the purposes of the Act.

2. The Board hereby approves the Economic Impact Plan as submitted to the Board and hereby submits it to the Board of Aldermen and the County Commission with a recommendation of approval.

3. Subject to and upon the approval of the Economic Impact Plan by both the Board of Aldermen and the County Commission in the form submitted by the Board, the Board hereby authorizes the execution and delivery of the Development Agreement and the collection of the TIF Revenues.

4. The Chairman, the Vice Chairman, Treasurer and Secretary of the Board, any one of whom may act (the "Authorized Officers"), are each hereby authorized and directed to approve the final terms of the Development Agreement.

5. It is understood and agreed by and between the Board and Developer that the provisions of this Resolution are not intended to, and shall not be construed or interpreted to, (a) obligate, or authorize the expenditure of, any funds or monies of the Board derived from any source whatsoever other than the TIF Revenues as provided for in this Resolution, or (b) obligate the Board to pay any costs incurred in connection with the implementation of the Economic Impact Plan, including, without limitation the Board's attorneys' fees, from any source other than the TIF Revenues and funds to be paid by Developer, (c) constitute a debt or a pledge of the faith and credit or taxing power of the City of Bartlett, Tennessee, the County of Shelby, Tennessee, the State of Tennessee, or any other county, municipality or other political subdivision of the State of Tennessee other than the pledge of the TIF Revenues, or (d) create any personal liability of any officer, director or member of the Board or any official employee of the Board.

6. The Authorized Officers are each hereby authorized and directed in the name and on behalf of the Board, and if appropriate, under its corporate seal, attested by its Secretary or any other officer of the Board, to execute all such other agreements, certificates and instruments and to take all such other action that any officer may consider necessary or appropriate to carry out the foregoing resolutions and transactions contemplated thereby.

7. All acts and doings of the officers of the Board that are in conformity with the purposes and intent of this Resolution and in furtherance of the implementation of the Economic Impact Plan shall be and the same hereby are in all respects, approved and confirmed.

Adopted this 18th day of November, 2021.

Chairman

UNION DEPOT TIF

Plan Area


COS
KIRBY WHITTEN RD
COS
COS
DISTRICT 1
35.6 AC.±
COS
4A
DISTRICT 4 / 4A
8.1 AC.±
DISTRICT 3
2.7 AC.±
DISTRICT 5 / 5A
6.6 AC. ±
5A
DISTRICT 2
13.9 AC. ±
SUMMER AVENUE
STAGE ROAD

Site Plan


1/2 MILE
10 MIN. WALK
1/4 MILE
5 MIN. WALK
SINGLE FAMILY HOMES
DETENTION
COMMON OPEN SPACE
TOWNHOMES
FLATS
COMMERCIAL
MIXED-USE (COMMERCIAL & LOFTS)
DETENTION
SUMMER AVENUE
COMMERCIAL
STAGE ROAD

Gateway Entrance

Mixed Use

Benefits to City

- Largest Development in City History
- Development of Strategic Property
- New Residential and Commercial Offering
- $162 Million Private Capital Investment
- $5.2 Million in New Property Taxes
- Share of $18.3 Million in State & Local Sales Taxes
- 716 Estimated New Direct and Indirect Jobs
- $47.4 Million Total New Local Taxes
- Public Infrastructure Funded by the Development

Benefits to County

- Largest Development in City History
- $162 million Private Capital Investment
- $10.9 Million in New Property Taxes
- Share of $18.3 Million in State & Local Sales Taxes
- 716 Estimated New Direct and Indirect Jobs
- 1,332 Construction Jobs
- $47.4 Million Total New Local Taxes

Financial Summary: Total Taxes

Property Taxes Generated From Project			
Uses	Bartlett	County	Total
Single Family & Townhouse	$ 7,272,475	$ 14,341,315	$ 21,613,790
Multi-Family	$ 5,785,920	$ 11,409,833	$ 17,195,753
			$ -
Commercial	$ 1,981,560	$ 3,907,632	$ 5,889,192
Total	$ 15,039,955	$ 29,658,780	$ 44,698,735

Financial Summary: Allocation of Taxes

Allocation of Property Taxes Generated				
	Single/TH	**Multi-Family**	**Commercial**	**Total**
Debt	$ 3,566,275	$ 2,837,300	$ 971,708	$ 7,375,283
Admin	$ 469,002	$ 373,135	$ 127,791	$ 969,928
City/County	$ 4,257,997	$ 3,387,626	$ 1,160,204	$ 8,805,827
TIF	$ 13,320,516	$ 10,597,710	$ 3,629,489	$ 27,547,715
Total	**$ 21,613,790**	**$ 17,195,771**	**$ 5,889,192**	**$ 44,698,753**

QUESTIONS

INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF BARTLETT, TENNESSEE

ECONOMIC IMPACT PLAN

FOR

UNION DEPOT MIXED USE DEVELOPMENT

SUBMITTED BY:
BLUE SKY COMMUNITIES INC.

INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF BARTLETT, TENNESSEE

ECONOMIC IMPACT PLAN
FOR
UNION DEPOT MIXED USE DEVELOPMENT

I. Introduction

The Blue Sky Communities Inc., a Tennessee corporation ("Blue Sky"), has contracted to purchase an approximately 73.9 acre tract of land located at 6896 U. S. Highway 70 in Bartlett, Tennessee, on the former site of the Tennessee Baptist Children's Home (the "Property"). Blue Sky has requested assistance from the Industrial Development Board of the City of Bartlett, Tennessee, a public nonprofit corporation organized under Tenn. Code Ann. §§ 7-53-101, *et. seq*. (the "Board"), in connection with a project to be developed on the Property, as more particularly described below.

What follows is an economic impact plan for the development of the Property (the "Plan"). First, the Plan explains the statutory authority for financial assistance from the Board (Section II). Second, the Plan describes the proposed project, the area subject to this Plan, and the requested financial assistance from the Board in the form of tax increment financing (Sections III, IV, and V). Third, the Plan discusses the expected benefits to the City of Bartlett and Shelby County from the redevelopment project (Section VI). Finally, the Plan explains the mechanics of the requested tax increment financing and the public approval process for the Plan (Sections VII and VIII).

II. Authority for Economic Impact Plan

The Board is an "industrial development corporation" under Tenn. Code Ann. § 7-53-101 *et. seq*. (an "IDB"). An IDB is authorized under Tenn. Code Ann. §§ 7-53-312 to prepare and submit to cities and counties an economic impact plan with respect to an area that includes a project within the meaning of Tenn. Code Ann. § 7-53-101 and such other properties that the IDB determines will be directly improved or benefited due to the undertaking of such project. Tennessee Code Annotated § 7-53-312 also authorizes cities and counties to apply and pledge new incremental tax revenues that arise from the area subject to the economic impact plan to the IDB to promote economic development, to pay the cost of projects, or to pay debt service on bonds, notes, or other obligations issued by the IDB to pay the costs of projects.

III. The Project

The Property has been vacant for a number of years and is strategically located at the intersection of Highway 70 and Stage Road. Blue Sky or one or more affiliates thereof ("Developer") has proposed to construct a mixed-use development on the Property that is expected to include approximately 85,000 square feet of retail and commercial uses, as well as various residential products totaling over 600 units, which will be known as Union Depot. The project will be a planned development that provides a compatible and complementary mixture of residential units and commercial uses and maintains an urban neighborhood setting through the use of unifying architectural guidelines and cohesive landscaping criteria. Through distinctive entrances into the established districts and complementary open spaces, Union Depot will establish itself as a unique and carefully planned development that will stand apart from other developments with its own "sense of place." Union Depot will be developed so that it not only preserves and protects, but also enhances, surrounding property and reflects sensitivity to the adjacent land uses. Union Depot will be a distinctive project at a high-profile, strategic location in Bartlett that will provide the opportunity for new shopping and entertainment options. A preliminary site plan for Union Depot is attached hereto as Exhibit A.

The Union Depot mixed-use development described above, excluding the residential units, is collectively referred to in this Plan as the "Project." The Project is an eligible "project" within the meaning of Tenn. Code Ann. § 7-53-101(13).

The Project however, is not feasible without significant investment in new and improved infrastructure and parking in the area, including site design and analysis, site preparation, utilities, roads, sidewalks, gas lines, sewer lines, storm drainage facilities, street lights, parking areas, and other associated development expenses. In order to make the Project financially feasible, the Developer has requested that the City of Bartlett (the "City") and Shelby County, Tennessee (the "County") approve, as part of this Plan, a plan for tax increment financing through the Board pursuant to Title 7, Chapter 53 of Tennessee Code Annotated to provide funds to pay a portion of the costs of the improvements that are needed to permit the construction and operation of the Project, as more particularly described in Section V below. The proceeds of the tax increment financing would be used to pay certain eligible costs, in accordance with Tenn. Code Ann. § 7-53-312 and Tenn. Code Ann. §§ 9-23-101 *et. seq.* (collectively, the "Tax Increment Act") relating to the Project (the "Tax Increment Incentive").

IV. Boundaries of Plan Area

The area that will be subject to this plan (the "Plan Area") is shown on the attached Exhibit B (which includes the Property), and a list of the existing tax parcels that are included in the Plan Area is attached hereto as Exhibit C. The Plan Area is hereby declared to be subject to this Plan, and the Project is hereby identified as the project that will be located within the Plan Area.

V. Financial Assistance to Project

The Board will provide financial assistance to the Project by applying the proceeds of the Tax Increment Incentive to pay for the following (collectively, the "Eligible Costs"): all costs that are (i) incurred in connection with (x) the development of the Project and public infrastructure in the Plan Area or (y) the Tax Increment Incentive and (ii) permitted under the Tax Increment Act, including, without limitation, the costs of designing, constructing, and installing the improvements described on the attached Exhibit D (the "Planned Improvements"). A final description of Planned Improvements, together with the costs and expenses of such improvements and fees to be reimbursed with the Tax Increment Incentive will be set forth in a development agreement to be executed by the Board and the Developer in connection with the Tax Increment Incentive and consistent with this Plan (the "Development Agreement"), as the same may be amended from time to time by the Board and the Developer so long as such amendments are consistent with this Plan. The Board will pay for, reimburse the Developer for, or repay the debt (principal and interest) or other financing of (as applicable) the Eligible Costs upon receipt of adequate documentation of such costs and expenses, as more particularly set forth in the Development Agreement. The Board is hereby authorized to issue and sell bonds, notes, or other obligations for purposes of paying the Eligible Costs, subject to the terms and conditions set forth in Section VII.b. below.

Tenn. Code Ann. § 9-23-108 does not permit the application of incremental tax revenues pursuant to this Plan to pay certain costs relating to privately owned land without first receiving a written determination from the Comptroller of the State of Tennessee (the "State") and the Commissioner of Economic and Community Development of the State that the use of tax increment revenues for such purposes is in the best interest of the State. The Board will not apply any tax increment revenues to pay costs as to which such a written determination is required without first obtaining such written determination.

VI. Expected Benefits to City and County

Implementation of the Project will yield significant benefits to the City and the County. A primary benefit of the Project and related redevelopment of the Plan Area will be to create and foster a vibrant, mixed-use center for the City and the County. The Project is also expected to preserve and create jobs within the City and the County. The Project is expected to support approximately 716 jobs in the area

In addition to the benefits realized from a vibrant mixed-use for the City and expanding the job base, the City and the County are also expected to receive substantial additional taxes as a result of the Project. Since the property in the Plan Area is currently tax exempt, there are no property taxes currently being generated. The total Project investment is estimated at approximately $162 million. The total additional City and County property taxes to be generated by the Project during the term of the Tax Increment Incentive (after payment of certain fees to the Shelby County Trustee and the Board as set forth in Section VII.a. below) are estimated at approximately $15.0 million for the City and $29.7 million for the County, based on current tax rates. Of these property taxes, the City will receive approximately $5.2 million, and the County will receive approximately $10.9 million. A portion of the new property taxes generated in the Plan Area would be available to pay for Eligible Costs and administrative expenses of the Tax Increment Incentive, as more particularly described below. Following the expiration of the Tax Increment Incentive, the City and County will benefit from the entire increase in the property taxes.

In addition to the new property taxes discussed above, implementation of the Project will generate local sales tax of approximately $18.3 million for the term of the Tax Increment Incentive. The total local taxes for the City and County are estimated at $47.4 million.

A further benefit to the City and the County is that the investments in public infrastructure contemplated by this Plan and enabled by the Project will defray the cost of essential upgrades and replacement that would otherwise have been made by the public sector. The private sector investments and new taxes will be long lasting well beyond the twenty-year term of the Tax Increment Incentive.

VII. Distribution of Property Taxes and Tax Increment Financing

a. Distribution of Taxes. Subject to the provisions of this Plan, property taxes imposed on real property and personal property located within the Plan Area shall be allocated and distributed as provided in this subsection. The taxes assessed by the City and County on such property within the Plan Area will be divided and distributed as follows in accordance with Tenn. Code Ann. § 7-53-312 and Tenn. Code Ann. §§ 9-23-101 *et. seq.* (collectively, the "Tax Increment Act"):

i. First, an amount equal to (x) the portion of the property taxes payable with respect to the Plan Area for the year prior to the date of approval of this Plan (other than any portion of such taxes that that constitutes Dedicated Taxes, as defined below) (the "Base Taxes") plus (y) that portion of property taxes levied upon property within the Plan Area for the payment of debt service of the City and County (the "Dedicated Taxes" and together with the Base Taxes, the "Total Base Tax Amount") will, pursuant to Tenn. Code Ann. § 9-23-103, be allocated to and, as collected, paid to the City and the County as all other taxes levied by the City and County on all other properties; provided, however, that in any year in which the taxes on the property within the Plan Area are less than the Total Base Tax Amount, only the taxes actually imposed will be allocated and paid to the City and County.

ii. Second, two percent (2%) of the excess Shelby County property taxes over the portion of the Base Taxes attributable to Shelby County property taxes shall be payable to Shelby County Trustee to administer distribution of the Shelby County Tax Increment Incentive.

iii. Third, seventy-five percent (75%) of the excess of property taxes over the Total Base Tax Amount less the two percent (2%) fee due to the Shelby County Trustee as set forth above (the "TIF Revenues") will be allocated and, as collected, paid into a separate fund of the Board created to hold such payments until the tax proceeds in the fund are to be applied to pay the Eligible Costs as described above.

iv. Fourth, three percent (3%) of the excess City of Bartlett property taxes over the portion of the Base Taxes attributable to City of Bartlett property taxes less the two percent (2%) fee due to the Shelby County Trustee as set forth above shall be payable to the Board as a fee for administering the Tax Increment Incentive.

v. Fifth, the remaining of the excess of property taxes over the Total Base Tax Amount less than two percent (2%) fee due to the Shelby County Trustee as set forth above will be allocated to and, as collected, paid to the City and the County as all other taxes levied by the City and County on all other properties.

The Developer may subdivide the Plan Area into multiple parcels in order to facilitate the phased development of the Project. The Board is authorized to designate, by notice to the City and the County, that the allocation of TIF Revenues from any parcel or group of parcels in the Plan Area shall begin in any tax year within the following seven tax years in order to match TIF Revenues with the application of TIF Revenues for the purposes provided herein

The Board is authorized to make all calculations of TIF revenues on the basis of each parcel with the Plan Area instead of on an aggregate basis, as permitted by the Tax increment Act. If the Board opts to have such calculations made based upon each parcel, the Board shall give notice to the City and the County that such methodology will be used prior to the first allocation date of any TIF Revenues.

TIF Revenues relating to each tax year commencing January 1, 2022, shall be paid to the Board, to the extent received by the City or County, within ninety (90) days after the respective dates that taxes would be delinquent to the City and County for such tax year. TIF Revenues received by the City and County as delinquent taxes shall be paid to the Board by the City and the County within thirty (30) days of receipt.

b. <u>TIF Obligations</u>. In order to pay for Eligible Costs of the Project, the Board intends to use the incremental tax revenues that it would receive as a result of the adoption of this Plan to pay debt service on obligations incurred to finance such costs (or to reimburse Developer directly for Eligible Cost). This tax increment financing will be structured as follows:

i. The Board will borrow the amount necessary to pay for the Planned Improvements, the cost of financing the Planned Improvements, and related Eligible Costs through the issuance and sale of notes, bonds, or other obligations of the Board. Such amount will be applied to pay the costs relating to the Project after payment of costs incurred in connection with the issuance of the Tax Increment Financing. The Board may pledge the TIF Revenues allocated to the Board pursuant to this Plan to the payment of such notes, bonds, or other obligations, including, without limitation, principal and interest thereon. In no event will any such obligations issued by the Board be considered a debt or obligation of the City or the County in any manner whatsoever, and the source of the funds to satisfy the Board's payment obligations thereunder shall be limited solely to the TIF Revenues, and such obligations shall otherwise be non-recourse to the Board, the City, and the County.

ii. The proceeds of the notes, bonds, or obligations may be used to pay Eligible Costs as described above, the costs of issuances relating to notes, bonds or obligations described above, and interest on such notes, bonds, or other obligations.

c. <u>Time Period</u>. Taxes on the real property within the Plan Area will be divided and distributed as provided in this Plan for a period, as to each parcel of property in the Plan Area, not in excess of twenty (20) years as to any parcel but, in any event, such allocations shall cease when there are not Eligible Costs, including debt service, to be paid from the TIF Revenues.

d. <u>Qualified Use</u>. The Board, the City, and the County, by the adoption of this Plan, find that the use of the TIF Revenues as described herein is in furtherance of promoting economic development in the City and County and that costs to be financed as described herein are costs of the Project.

VIII. Approval Process

Pursuant to Tenn. Code Ann. § 7-53-312, the process for the approval of this Plan is as follows:

a. The Board will hold a public hearing relating to the proposed Plan after publishing notice of such hearing in a newspaper of general circulation in the City and County at least two (2) weeks prior to the date of the public hearing. The notice must include the time, place and purpose of the hearing as well as notice of how a map of the subject area may be viewed by the public. Following such public hearing, the Board may submit the Plan to the City and County for their approval.

b. The governing bodies of the City and County must approve the Plan to be effective as to both the City and the County. The Plan may be approved by resolutions of the Board of Mayor and Aldermen of the City and County Commission of the County, whether or not the local charter provisions of the governing bodies provide otherwise. If the governing body of the City approves this Plan but the governing body of the County does not approve this Plan, at the Developer's option, this Plan shall still be effective as to the City, and all references to allocating TIF Revenues of the County shall be deemed deleted. If the governing body of the County approves this Plan but the governing body of the City does not approve this Plan, at the Developer's option, this Plan shall still be effective as to the County, and all references to allocating TIF Revenues of the City shall be deemed deleted.

c. Once this Plan has been approved by the governing bodies of the City and County, the clerk or other recording official of the governing bodies shall transmit the following to the appropriate tax assessor and taxing agency affected: (a) a copy of the description of the property within the Plan Area and (b) a copy of the resolutions approving the Plan. A copy of the Plan and the resolutions approving the Plan shall be filed with the Comptroller of the State and annual statements of incremental tax revenues allocated to the Board shall be filed with the State Board of Equalization as required by the Tax Increment Act. The Board will also comply with all other procedural requirements of the Tax Increment Act and other applicable laws.

d. Once this Plan has been approved by the governing bodies of the City and County, the Board shall execute the Development Agreement.

EXHIBIT A

Site Development Plan

EXHIBIT B
Map of Plan Area

EXHIBIT C

Parcels in Plan Area

B0157 00802

EXHIBIT D

Planned Improvements

Union Depot Public Improvements

Line Items		Estimate
Site Planning and Preparation		
Demolition	$	1,885,000
Environmental	$	52,500
Engineering & Staking	$	616,000
Clearing	$	338,415
Earthwork & Related Infrastructure	$	2,749,000
Storm Drainage	$	1,191,698
Erosion Control	$	431,545
Total	$	7,264,158
Utilities		
Electric	$	2,200,000
Gas	$	450,000
Water	$	2,303,000
Sanitary Sewer	$	3,350,090
Street Lights	$	750,000
Total	$	9,053,090
Roads		
Streets	$	2,072,702
Sidewalks & Public Circulation	$	394,704
Traffic Control	$	75,000
Landscaping, Irrigation, & Monuments	$	270,400
Total	$	2,812,806
Insurance, Consulting, Legal	$	160,000
Interest Reserve	$	4,973,925
Contingency	$	1,700,000
Total	$	6,833,925
Grand Total	$	25,963,979