

Board Members:

Greg McWhorter
Paul Fortunato
Terry Henley
Julie Wheeler
Tiffany Gardner
Anthony Wise
Rick Gentry
Alvin Nance
Shannon Coleman Egle
Michael Wood
Mike George



The Industrial Development Board of the County of Knox

Regular Meeting

February 9, 2021, 4:00 p.m.

Zoom Video Conference Mtg. - In accordance with

Governor Lee's Executive Order No. 71

(an extension of Executive Order Nos. 16, 34, 51, 60 and 65)

AGENDA

- ACTION**
- I. Call to Order
 - II. Approval of Minutes from Previous Meeting
 - A) Regular Meeting – January 12, 2021
 - III. Old Business
 - A) Update Regarding Knox County Property Tax Incentive Program Policies
 - B) Update Regarding Appointment to Greater Knoxville Foreign Trade Zone Advisory Council.
 - C) CT-0253 2020 Northshore TIF
 - IV. New Business
 - V. Adjourn

**MINUTES OF THE REGULAR MEETING OF
THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX**

January 12, 2021, 4:00 p.m.

The regular meeting of the Board of Directors of The Industrial Development Board of the County of Knox (the “Industrial Development Board” or “Board”) was held on Tuesday, January 12, 2021 at 4:00 p.m., pursuant to notice duly provided to the Directors and the public. The meeting was held via electronic method (Zoom Meeting), the Board’s Chair having determined on behalf of the Board that such was necessary to protect the health, safety, and welfare of Tennesseans in light of the COVID-19 outbreak.

The following Directors were present at the meeting, constituting a quorum, Greg McWhorter (Chair), Paul Fortunato (Vice Chair), Tiffany Gardner (Secretary), Alvin Nance, Dr. Anthony Wise, Mike George, Rick Gentry, Terry Henley, Michael Wood, and Shannon Coleman Egle.

Also, in attendance were Todd Napier (The Development Corporation), Ray Christian (The Development Corp.), Shawn Barhorst (The Development Corporation), Brenda Wilson Spence (The Development Corporation), R. Christopher Trump (Legal Counsel – Egerton, McAfee, Armistead & Davis, P.C.), Susan L. Levine (Paralegal - Egerton, McAfee, Armistead & Davis, P.C.), Benjamin Cunningham and Bennett L. Cox (University Health Systems), and Steven Turner (Bond Counsel for University Health Systems).

I. Greg McWhorter, the Board’s Chair, called the Industrial Development Board meeting to order. The Agenda of the Industrial Development Board meeting is attached hereto as Exhibit A.

The Industrial Development Board discussed the following matters and took the following actions as noted:

II. Review/ Approve Minutes from Previous Meeting. The Chair of the meeting asked if there were any changes to the minutes of the regular meeting held on December 8, 2020. Mr. Nance proposed correction of a typo in the minutes. Upon a motion by Tiffany Gardner and a second by Michael Wood, the minutes of the December 8, 2020, meeting were unanimously approved.

III. Review and Approval of Finance Report as of December 31, 2020. The Chair recognized Shawn Barhorst who addressed the Board and presented the financial report as of December 31, 2020 (“Financial Report”), reviewing with the Board the Balance Sheet with Prior Year Comparison, Budget Variance Report, and Income Statement with Prior Year Comparison. Discussion was had.

Upon a motion by Alvin Nance and a second by Mike George, the Financial Report as of December 31, 2020 was unanimously accepted. A copy of the financial statements so presented during the report are attached hereto collectively as Exhibit B.

IV. Old Business.

A) Update Regarding Knox County Property Tax Incentive Program Policies.

The Chair recognized Todd Napier who addressed the Committee regarding efforts to revise the policies and procedures applicable to the Board's PILOT programs, the proposed timeline and budget from Board Counsel, Christopher Trump, to undertake the project. Mr. Napier stated that the estimated legal budget for the portion of this project involving the IDB is approximately \$12,500.00 and asked the Board for approval to incur this expense. Discussion was had.

Upon a motion by Paul Fortunato, and a second by Tiffany Gardner, the Board unanimously approved legal fee expenditures not to exceed \$12,500.00.

B) Update Regarding Keurig/Green Mountain Coffee Roasters PILOT.

The Chair recognized Todd Napier who gave the Board an update with his discussions with the representatives from Keurig Dr. Pepper to extend their existing PILOT by 1 year to off-set their overpayment of taxes. Mr. Napier stated that he and Shawn Barhorst have had telephone conferences with the representatives and reviewed their initial PILOT application for the extension. Once the PILOT application is complete and the filing fee paid, they will bring the matter before the Application Review Committee for consideration.

C) Update Regarding Appointment to Greater Knoxville Foreign Trade Zone Advisory Council. The Chair recognized Todd Napier who gave the Board an update regarding the appointment and Ms. Gardner's discussions with the leadership at Jewelry Television to appoint a representative to the Advisory Council. Mr. Napier stated that leadership at Jewelry Television were going to meet and discuss the matter and will let Ms. Gardner know if they wish to participate and whom they would propose do so. Mr. Napier asked Tiffany Gardner if she had any additional updates, and she had not. Since this appointment is not urgent, Mr. Napier recommended that the Board wait to determine if Jewelry Television is agreeable to the appointment before moving on to discussions with Royal Brass & Hose.

D) Proposed Resolution Approving the PILOT Lease Agreement for Elo Touch Solutions, LLC. Mike George recused himself from the discussion and vote on this matter. The Chair recognized Chris Trump who stated that the PILOT Lease Agreement was previously approved by the Board with Elo Touch Solutions, LLC. However, the revised PILOT Lease clarifies the responsibilities between Elo Touch Solutions, LLC ("Elo") and its affiliate ETS Partners, revises capital investment numbers due to the change in costs; and clarifies job creation numbers, including, the number of jobs to be retained in Elo's downtown location. Discussion was had.

Upon a motion by Tiffany Gardner and a second by Anthony Wise, the Resolution approving the revised PILOT Lease Agreement was unanimously approved, except for Mr. George who recused himself from the vote. A copy the Resolution is attached hereto as Exhibit C.

V. New Business.

A) TIF Application for Farragut Town Center at Biddle Farms. The Chair recognized Todd Napier who gave a brief overview of a potential TIF application received from CHM Farragut Town Center and discussions he and Chris Trump have had with the representatives regarding potential issues with the TIF application. Mr. Napier stated that the potential applicant was considering whether the project needed a TIF or a PILOT. Mr. Trump stated that the project may be better suited for a TIF, but that a TIF has certain disadvantages for the applicant, Mr. Trump stated that it appears that for the TIF to work for the potential applicant, the applicant may need to seek a waiver from the Board of certain policies applicable to TIF, and that the Board would need justification to do so. Mr. Trump stated that for a PILOT to work for the project, it would need to be located in a Central Business Improvement District, and that the Town of Farragut would need to take action to create a CBID encompassing the project. Due to the nature of the project, Mr. Napier wanted the Board to be aware of the application should any questions or communications be directed to them individually.

VI. Next Meeting. The next regular meeting of The Industrial Board of the County of Knox is scheduled for February 9, 2021, at 4:00 p.m. at the offices of The Development Corporation of Knox County located at 17 Market Square, #201, Knoxville, Tennessee.

VII. Adjournment. No further business having come before the Board and upon motion duly made and seconded, the Board voted unanimously to adjourn the meeting at 4:48 p.m.

Date

Secretary

EXHIBITS

- Exhibit A Agenda – January 12, 2021
- Exhibit B Financial Statements as of December 31, 2020
- Exhibit C Resolution of the Board of Directors of the Industrial
Development Board of the County of Knox Approving the
PILOT Lease Agreement for Elo Touch Solutions, LLC

DRAFT

REPORT ON DEBT OBLIGATION
(Pursuant to Tennessee Code Annotated Section 9-21-151)

1. Public Entity:
 Name: The Industrial Development Board of the County of Knox
 Address: 17 Market Square, #201
Knoxville, TN 37902
 Debt Issue Name: Tax Increment Revenue Note, Series 2020 (Federally Tax-Exempt County Note) (Northshore Town Center Project)
 If disclosing initially for a program, attach the form specified for updates, indicating the frequency required.

2. Face Amount: \$ 2,507,841.21
 Premium/Discount: \$ _____

3. Interest Cost: _____ % Tax-exempt Taxable
 TIC NIC
 Variable: Index _____ plus _____ basis points; or
 Variable: Remarketing Agent _____
 Other: Fixed at 3.75% for five years, then 10 year Treasury Index plus 300 bps

4. Debt Obligation:
 TRAN RAN CON
 BAN CRAN GAN
 Bond Loan Agreement Capital Lease
 If any of the notes listed above are issued pursuant to Title 9, Chapter 21, enclose a copy of the executed note with the filing with the Division of Local Government Finance ("LGF").

5. Ratings:
 Unrated
 Moody's _____ Standard & Poor's _____ Fitch _____

6. Purpose:

| | | BRIEF DESCRIPTION |
|---|-----------------|---|
| <input type="checkbox"/> General Government | _____ % | _____ |
| <input type="checkbox"/> Education | _____ % | _____ |
| <input type="checkbox"/> Utilities | _____ % | _____ |
| <input type="checkbox"/> Other | _____ % | _____ |
| <input checked="" type="checkbox"/> Refunding/Renewal | <u>100.00</u> % | <u>refinancing of tax increment financing</u> |

7. Security:
 General Obligation General Obligation + Revenue/Tax
 Revenue Tax Increment Financing (TIF)
 Annual Appropriation (Capital Lease Only) Other (Describe): _____

8. Type of Sale:
 Competitive Public Sale Interfund Loan _____
 Negotiated Sale Loan Program _____
 Informal Bid _____

9. Date:
 Dated Date: 12/22/2020 Issue/Closing Date: 12/22/2020

REPORT ON DEBT OBLIGATION

(Pursuant to Tennessee Code Annotated Section 9-21-151)

10. Maturity Dates, Amounts and Interest Rates *:

| Year | Amount | Interest Rate | Year | Amount | Interest Rate |
|--------------|--------|---------------|------|--------|---------------|
| See attached | \$ | % | | \$ | % |
| | \$ | % | | \$ | % |
| | \$ | % | | \$ | % |
| | \$ | % | | \$ | % |
| | \$ | % | | \$ | % |
| | \$ | % | | \$ | % |
| | \$ | % | | \$ | % |
| | \$ | % | | \$ | % |
| | \$ | % | | \$ | % |
| | \$ | % | | \$ | % |
| | \$ | % | | \$ | % |
| | \$ | % | | \$ | % |
| | \$ | % | | \$ | % |
| | \$ | % | | \$ | % |

If more space is needed, attach an additional sheet.

If (1) the debt has a final maturity of 31 or more years from the date of issuance, (2) principal repayment is delayed for two or more years, or (3) debt service payments are not level throughout the retirement period, then a cumulative repayment schedule (grouped in 5 year increments out to 30 years) including this and all other entity debt secured by the same source **MUST BE PREPARED AND ATTACHED**. For purposes of this form, debt secured by an ad valorem tax pledge and debt secured by a dual ad valorem tax and revenue pledge are secured by the same source. Also, debt secured by the same revenue stream, no matter what lien level, is considered secured by the same source.

* This section is not applicable to the Initial Report for a Borrowing Program.

11. Cost of Issuance and Professionals:

No costs or professionals

| | AMOUNT <small>(Round to nearest \$)</small> | FIRM NAME |
|-----------------------------------|--|--|
| Financial Advisor Fees | \$ 0 | |
| Legal Fees | \$ 0 | |
| Bond Counsel | \$ 19,500 | Bass, Berry & Sims PLC |
| Issuer's Counsel | \$ 6,250 | Egerton, McAfee, Armistead and Davis, P.C. |
| Trustee's Counsel | \$ 0 | |
| Bank Counsel | \$ 3,000 | Long, Ragsdale & Waters, P.C. |
| Disclosure Counsel | \$ 0 | |
| _____ | \$ 0 | |
| Paying Agent Fees | \$ 0 | |
| Registrar Fees | \$ 0 | |
| Trustee Fees | \$ 0 | |
| Remarketing Agent Fees | \$ 0 | |
| Liquidity Fees | \$ 0 | |
| Rating Agency Fees | \$ 0 | |
| Credit Enhancement Fees | \$ 0 | |
| Bank Closing Costs | \$ 2,500 | Pinnacle Bank |
| Underwriter's Discount _____ % | | |
| Take Down | \$ 0 | |
| Management Fee | \$ 0 | |
| Risk Premium | \$ 0 | |
| Underwriter's Counsel | \$ 0 | |
| Other expenses | \$ 0 | |
| Printing and Advertising Fees | \$ 0 | |
| Issuer/Administrator Program Fees | \$ 500 | The Industrial Development Board of the County of Knox |
| Real Estate Fees | \$ 0 | |
| Sponsorship/Referral Fee | \$ 0 | |
| Other Costs _____ | \$ 0 | |
| TOTAL COSTS | \$ 31,750 | |

REPORT ON DEBT OBLIGATION
(Pursuant to Tennessee Code Annotated Section 9-21-151)

12. Recurring Costs:

No Recurring Costs

| | AMOUNT (Basis points/\$) | FIRM NAME (If different from #11) |
|--------------------------------|-----------------------------|--------------------------------------|
| Remarketing Agent | _____ | _____ |
| Paying Agent / Registrar | _____ | _____ |
| Trustee | _____ | _____ |
| Liquidity / Credit Enhancement | _____ | _____ |
| Escrow Agent | _____ | _____ |
| Sponsorship / Program / Admin | _____ | _____ |
| Other _____ | _____ | _____ |

13. Disclosure Document / Official Statement:

None Prepared

EMMA link _____ or

Copy attached

14. Continuing Disclosure Obligations:

Is there an existing continuing disclosure obligation related to the security for this debt? Yes No

Is there a continuing disclosure obligation agreement related to this debt? Yes No

If yes to either question, date that disclosure is due _____

Name and title of person responsible for compliance _____

15. Written Debt Management Policy:

Governing Body's approval date of the current version of the written debt management policy 12/13/2011

Is the debt obligation in compliance with and clearly authorized under the policy? Yes No

16. Written Derivative Management Policy:

No derivative

Governing Body's approval date of the current version of the written derivative management policy _____

Date of Letter of Compliance for derivative _____

Is the derivative in compliance with and clearly authorized under the policy? Yes No

17. Submission of Report:

To the Governing Body: on 1/14/21 ^{to be} and presented at public meeting held on 2/9/21 ^{no be}

Copy to Director, Division of Local Govt Finance: on 1/14/21 either by:

Mail to: _____ OR Email to: LGF@cot.tn.gov

Cordell Hull Building
425 Fifth Avenue North, 4th Floor
Nashville, TN 37243-3400

18. Signatures:

| | AUTHORIZED REPRESENTATIVE | PREPARER |
|-------|---------------------------|-----------------------------------|
| Name | <u>Greg McWhorter</u> | <u>James P. Moneyhun, Jr.</u> |
| Title | <u>Chair</u> | <u>Member</u> |
| Firm | _____ | <u>Bass, Berry & Sims PLC</u> |
| Email | _____ | <u>jmoneyhun@bassberry.com</u> |
| Date | <u>1/14/21</u> | <u>1/14/21</u> |

Schedule to Report on Debt Obligation
Form CT-0253

Item 10

The Borrower shall make principal payments as tax increment revenues from Knox County, Tennessee become available in the Tax Increment Fund to the extent such revenues exceed the amount necessary to pay accrued interest on the note. All unpaid principal will become due on the maturity date of October 5, 2027.

29125495.1

Moneyhun, James P

From: LGF <LGF@cot.tn.gov>
Sent: Thursday, January 14, 2021 4:48 PM
To: Moneyhun, James P
Subject: RE: CT-0253 - Knox IDB - Northshore Town Center TIF Note

Dear Jay,

Thank you for your submission on behalf of IDB Knox. Date-stamped copies of the Reports on Debt Obligation will be emailed to you once they have been reviewed by our office.

If I may be of additional assistance, please do not hesitate to call.

Thank you!

Whitney Playl

Specialist, Division of Local Government Finance
Comptroller of the Treasury | Cordell Hull Building
425 Rep. John Lewis Way North | Nashville, TN 37243 - 1102
whitney.playl@cot.tn.gov | (615) 747.5335



Mission: To Make Government Work Better

From: Moneyhun, James P <JMoneyhun@bassberry.com>
Sent: Thursday, January 14, 2021 2:40 PM
To: LGF <LGF@cot.tn.gov>
Subject: CT-0253 - Knox IDB - Northshore Town Center TIF Note

Attached for filing is a Report on Debt Obligation – Form CT-0253 related to the referenced financing. Please let us know if you have any questions or need any additional information. Thanks,

Jay

BASS BERRY + SIMS

James P. Moneyhun, Jr.

Bass, Berry & Sims PLC
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[bio](#) • [vCard](#) • [map](#)