

THE INDUSTRIAL DEVELOPMENT BOARD OF RUTHERFORD COUNTY, TENNESSEE

Economic Impact Plan for the Waldron Station Mixed-Use Development Area

1. Authority

(a) Industrial development corporations are authorized under T.C.A. § 7-53-312 to prepare and submit to municipalities an economic impact plan with respect to an area that includes a project within the meaning of T.C.A. § 7-53-101 and such other properties that the corporation determines will be directly improved or benefited due to the undertaking of a project.

(b) T.C.A. § 7-53-312 authorizes municipalities to allocate new incremental tax revenues, which arise from the area subject to the economic impact plan, to an industrial development corporation to promote economic development, to pay the cost of projects and other eligible costs and/or to pay debt service on bonds or other obligations issued by the corporation (under the T.C.A. § 7-53-101, a “municipality” is defined as any county, or incorporated city or City).

2. The Development and Project

(a) Development. The City of La Vergne (the “**City**”), with the support of Rutherford County (the “**County**”), intends to support the development of the Waldron Station Mixed-Use Development Area, being approximately 76.55 acres of real property located between the East Branch Hurricane Creek and the west margin of Waldron Road near its intersection with Blair Road, La Vergne, Tennessee, into a mixed-use development project (the “**Development**”), consistent with the Development Agreement (as defined below) and the Planned Density Residential (“**PDR**”) zoning for the development approved by the City, as the same may be amended. The Development is currently anticipated to contain approximately 208,000 square feet of commercial space, which may consist of retail, service and medical office space, each of which, together with the Infrastructure Improvements (as defined below) constitute a “project” within the meaning of T.C.A. § 7-53-101. The Development is expected to also include certain additional uses, such as approximately 16 single family residential lots, 38 residential townhome units, 336 multi-family apartments and an additional 242 multi-family units in the southern parcel’s mixed-use area. The Development will include a Town Center, parks, open spaces and walking trails, and it is anticipated that approximately 25% of the area in the Development will be green spaces. The Development will be a mixed-use development with each component supporting other components in order to create an integrated mixed-use community, and therefore each parcel within the Development, now existing or hereinafter created from existing parcels, will directly benefit from the development of these projects. Collectively, the projects that are eligible projects within the meaning of T.C.A. § 7-53-101 and that are expected to be located within the Development shall constitute the project that is required to be

located within the Plan Area identified below, and such projects are referred to in this economic impact plan (the “**Plan**”), as the “**Project**.”

(b) The Plan. The Industrial Development Board of Rutherford County (the “**Board**”) desires to adopt this Plan, in order to induce the Developer to undertake the Development and to make the Project financially feasible. Upon its adoption, the Board will submit this Plan to the City and County for their approval.

(c) Developer. The developer of the Development will be Twinning Station Limited Partners, LLC, and/or its affiliates that includes Land Deleot as its Managing Member (“**Developer**”). Developer will incur substantial costs in connection with the design, construction and installation of public infrastructure to be made in, adjacent to, or serving the Plan Area that is necessary to serve the Project (the “**Infrastructure Improvements**”). For such costs to be eligible to be funded with TIF Revenues, public infrastructure shall have the meaning given to such term in T.C.A. § 9-23-102(16), which includes roads, streets, publicly-owned or privately-owned parking lots, facilities or garages, traffic signals, sidewalks or other public improvements that are available for public use, utility improvements and storm water and drainage improvements, whether or not located on public property or a publicly-dedicated easement. The cost of the Infrastructure Improvements will be subject to reimbursement as set forth herein.

3. Plan Area. A map of the real property located within the Development consisting of approximately 76.55 acres, is shown on **Exhibit A** attached hereto and incorporated herein by reference (the “**Plan Area**”), which the Board hereby agrees and determines is the property that will directly benefit from the development of the Project. The Tax Map and Parcel numbers of the real property in the Plan Area are Nos. 029-041.01-000, 029-041.02-000, 032-003.04-000 and 032-003.05-000. Upon adoption of this Plan, the Plan Area is hereby declared to be subject to this Plan, and the Project that will be located within the Plan Area is hereby identified as the required project for purposes of T.C.A. § 7-53-312 and T.C.A. § 7-53-316. The Plan Area only includes the Project and other parcels that will directly benefit from the Project due to the creation of public infrastructure necessary for the Project and through interconnectivity of the multi-use development that includes the Project.

4. Expected Benefits to City and the County

(a) The Development will be a prominent feature of the civic, economic, recreational and cultural life of the City and the County, providing a gathering place for people to work, live, shop, dine and be entertained in a walkable environment.

(b) A description of the projected benefits of the Development and the Project is more fully set forth in the attached Economic Impact Analysts Waldron Station Mixed-Use Development conducted by Younger (the “**Younger Study**”), a copy of which is attached as **Exhibit B**. The Younger Study estimates that the Development will have an economic impact of over \$5.389 Billion over the 20-year period of the Plan. A significant part of the Project will be commercial office, residential, retail and restaurant

uses that the Younger Study anticipates will result in the creation of approximately 1,513 new jobs.

(c) The City and the County are also expected to realize additional tax receipts as a result of the Development. The property in the Plan Area was purchased by the Board in 2024 and has been exempt from ad valorem taxes since the Board's purchase. Transferring the property to private ownership and the capital investment in developing the property will create incremental property tax revenue that would be applied as provided herein to pay for costs of developing the Infrastructure Improvements. At current property tax rates, according to the Younger Study, the Development is anticipated to generate, after the deduction of the Annual Incentive Amounts to reimburse or finance Eligible Costs and reimbursement of Administrative Expenses (as such terms are defined below), new property tax revenues over the 20-year period of the Plan of approximately \$15.88 Million to the County and \$2.59 Million to the City. While the tax increment incentive is being paid, such incremental property tax revenue will provide additional funds to the City and the County to pay debt service pursuant to the Dedicated Taxes provision of Section 5(a)(ii) below, and additional funds to the City and the County for their general funds.

(d) The City and the County are also expected to realize additional tax receipts because of the Development and the Project. The Younger Study projects that Development will produce more than \$80 Million in local sales tax (direct and indirect) over the 20-year period of the incentive.

(e) Personal property taxes are not included in the TIF Revenues and shall be received and retained by the City and the County. Construction and development fees are also not included and shall be received and retained by the City.

(f) Developer is agreeing in the Development Agreement to give the City a graded site within the Development for a new fire station.

5. Distribution of Property Taxes and Tax Increment Financing

(a) Distribution of Taxes. In accordance with and subject to T.C.A. § 7-53-312(c) and T.C.A. § 9-23-1010 *et seq.* (the "**Tax Increment Act**"), real property taxes (excluding personal property taxes) imposed on the property located within the Plan Area will be allocated and distributed as provided in this subsection. The taxes assessed by the City and the County on the real property (excluding personal property taxes) within the Plan Area will be divided and distributed as follows:

(i) The portion of the real property taxes payable with respect to the Plan Area equal to the year prior to the date of approval of this Economic Impact Plan was \$651.00 per annum to the County and \$186.00 per annum to the City (the "**Base Tax Amount**").

(ii) The "**Dedicated Taxes**" are defined in *Tennessee Code Annotated* § 9-23-101, *et. seq.* (the "**TIF Uniformity Act**"), as "that portion of property taxes, if any, designated by a taxing agency to pay debt service on the

taxing agency's debt." "Taxing agency" is defined in the TIF Uniformity Act as "any county, City, City, metropolitan government or other public entity that levies property taxes on property within a plan area and that has approved the plan." The County and the City hereby designate the percentage of its budget each year that is to pay debt service on its financings as its Dedicated Taxes for purposes of this Plan. The Dedicated Taxes will be allocated to and will be paid to the respective taxing agencies as taxes levied by such taxing agencies on all other property are paid. The County Dedicated Taxes percentage is 20.48% of its budget as of the date of its approval of this Plan and the City Dedicated Taxes percentage is 3.48% of its budget as of the date of its approval of this Plan, based on certificates provided by the chief financial officers of the County and the City. The excess of real property taxes over the Base Tax Amount and the Dedicated Taxes (the "**TIF Revenues**") shall be allocated and, as collected, paid into a separate fund or funds of the Board, created to hold such payments until the TIF Revenues in the funds are to be applied (A) 75% to Developer to pay for Eligible Costs (as defined in (b) below) within the Plan Area or to pay debt service on any debt obligations described below (collectively, the "**Annual Incentive Amounts**"); (B) from the remaining 25% of the TIF Revenues, up to 5% shall be allocated or the reimbursement of the actual administrative expenses of the City, County and Board for administering the Plan, including a reasonable allocation of overhead expenses ("**Administrative Expenses**"); and the balance of the County's taxes shall be paid to the County and the balance of the City's taxes shall be paid to the City for their respective purposes.

The Board is authorized to make all calculations of TIF Revenues on the basis of each parcel within the Plan Area instead of on an aggregate basis. As permitted by the Tax Increment Act, the Board is also authorized to separately group one or more parcels within the Plan Area for purposes of calculating and allocating TIF Revenues, and in such case, the allocation of TIF Revenues shall be calculated and made based upon each such parcel or group of parcels and not the entire Plan Area.

The TIF Revenues for parcels within the Plan Area will be separated. The Base Tax Amount will be separately established for each parcel, as each such parcel may be subdivided, and the Board will make calculations and allocations of TIF Revenues for each parcel separately. The parcels within the Plan Area may be further divided, in which case such parcels, as divided, will be treated separately, and the Base Tax Amount with respect to each tax parcel that is subdivided shall be allocated to each subdivided parcel on a pro-rated basis either using the acreage of each subdivided parcel as a percentage of the total acreage of the original tax parcel or using the relative then current property tax amounts, as the Board may determine.

The Board is also authorized to designate, by notice to the City and the County, the allocation of TIF Revenues for certain parcels within the Plan Area will begin in different years from the allocations of TIF Revenues for other parcels within the Plan Area. This will allow the Board to match TIF Revenues from the

development of each of the parcels. The allocation of TIF Revenues for each parcel within the Plan Area will be subject to the maximum allocation period as provided below.

(b) Eligible Costs. As provided in a separate Development Agreement to be entered into by and between the Board and the Developer (the “**Development Agreement**”), the Annual Incentive Amounts will be used only to reimburse the Developer for the design and other costs incurred to construct the Infrastructure Improvements, including the allocable cost of the site thereof, and for costs, including without limitation legal fees, paid by Developer to the Board or its counsel for preparing, negotiating and adopting this Plan and the associated documents implementing the incentive hereunder until all such costs are fully paid (collectively, the “**Eligible Costs**”) and/or to pay debt service on any debt obligations described below, the proceeds of which were used to pay or reimburse the Developer for Eligible Costs.

6. State Approval Not Required. By adoption of this Plan, the Board, the City and the County hereby determine that the use of the Annual Incentive Amounts to pay for cost of the Infrastructure Improvements is necessary and desirable. Consequently, the use of the Annual Incentive Amounts as provided herein and in the Development Agreement is not subject to the written determination of the Tennessee Commissioner of Economic and Community Development or the Tennessee Comptroller.

7. Maximum Amount. The aggregate amount of the Annual Incentive Amounts for all Eligible Costs will not in any event exceed \$17,621,296 (“**TIF Maximum Amount**”), plus interest on any debt obligations as is described below, based upon an interest rate not to exceed the maximum interest rate allowed by law.

8. Commencement Date. The Development Agreement sets forth a Required Commencement Date for Commencement of Work and required Date of Completion for the Infrastructure Improvements, subject to the Force Majeure provision of the Development Agreement. A default by the Company under the Development Agreement or otherwise to satisfy the time frames set forth in the Development Agreement for the completion of the applicable Infrastructure Improvements by the required Date of Completion and a decision by the Board, the City or the County to terminate the Development Agreement, the City Financial Obligation and/or the County Financial Obligations as provided therein, as applicable, shall terminate this Plan with respect thereto.

9. Time Period; Payments. TIF Revenues will be allocated to the Board as provided in this Plan for a period as to each parcel or groups of parcels in the Plan Area for a maximum period of twenty (20) tax years, with the commencement of each allocation period as to each parcel being designated by written notice from the Board to the City and County. Until an allocation of TIF Revenues commences as to a parcel as described herein, no TIF Revenues shall be allocated to the Board as to such parcel. The allocation period for TIF Revenues as to each parcel within the Plan Area shall commence not later than (i) the first full calendar year after completion of the initial improvements on such parcel or (ii) the 2035 calendar year, all as to be provided in more

detail in the Development Agreement. Allocations of TIF Revenues to the Board shall terminate upon the earlier of the payment of the TIF Maximum Amount plus interest at an interest rate not to exceed the maximum interest rate allowed by law, or upon the completion of the allocations for the twenty (20) tax year period described above as to each parcel in the Plan Area, after which time all property taxes will be collected by the City and County in the normal course. The City and County will allocate and pay the TIF Revenues to the Board no later than sixty (60) days after the date that taxes are paid, as to each of the City and the County for each tax year. Delinquent payments received by the City and the County will be allocated to the Board, to the extent required no later than sixty (60) days of receipt by the City or County with interest to the extent provided in the TIF Uniformity Act.

10. Default. In the event of a default by the Developer under the Development Agreement that is continuing after any applicable notice and cure period, the obligation of the City and County to allocate the Annual Incentive Amounts hereunder may be terminated by either the City or the Board, in which case all property taxes will be collected by the City and County in the normal course.

11. Debt Issuance. The Board may borrow funds through the issuance and sale of notes, bonds or other obligations of the Board in one or more issuances, to pay and/or reimburse the Developer for Eligible Costs, to the extent permitted by the Act. The Developer may be the bond or note holder. The Board may pledge all or a portion of 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 the 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 shall otherwise be non-recourse to the Board. Any debt obligation of the Board may be refinanced by the Board at any time as permitted by the Act, and upon such refinancing, available tax increment revenues shall be applied to the payment of such refinancing debt to the extent such tax increment revenues were to be used to pay the debt that is being refinanced. Any and all documents to be entered into by the Board with respect to the foregoing shall be in form and substance acceptable to the Board, in its sole discretion, and subject to the Developer's payment of the Board's attorney's fees and costs associated therewith.

12. Finding of Economic Benefit. The Board, the City and the County, by the adoption of this Plan, find that the Project is within an area that could provide substantial sources of tax revenues and economic activity to the City and the County, find that the use of the TIF Revenues, as described herein, is in furtherance of promoting economic development in the City and the County, find that the use of the TIF Revenues as provided herein will develop trade and commerce in and adjacent to the City and the County, will contribute to the general welfare and will alleviate conditions of unemployment, and find that the construction and equipping of the Project will be necessary and advantageous to the Board in furthering the purposes of the Act.

13. Approval Process.

(a) Pursuant to T.C.A. § 7-53-312, the process for the approval of this Plan is as follows:

(b) The Board shall hold a public hearing on this Plan after publishing notice of such hearing in a newspaper of general circulation in the City at least two 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 shall submit the Economic Impact Plan to the City and County for their approval.

(c) The governing bodies of both the City and the County must approve this Plan for this Plan to be effective to both the City and the County. This Plan may be approved by resolution of the City Council and County Commission, whether or not the local charter provisions of the City or County provide otherwise. If the governing body of either the City or the County fails to approve this Plan, this Plan will not become effective. If either the City or County make any changes to this Plan in connection with their approval hereof, such changes must be approved by the Board following a public hearing related thereto, and such changes must also be approved by the City or County, as applicable.

(d) Once the governing body of the City and the County has approved this Plan, the Plan and related documents must be filed with the local taxing officials and the Comptroller of the State. Annual statements of incremental tax revenues allocated to the Board shall be filed with the State Board of Equalization. The Board will also comply with all other requirements of the Tax Increment Act and other applicable laws.

In witness whereof the parties hereto have entered into this Agreement as of the Effective Date.

[Signature Page to Economic Impact Plan]

APPROVED:

ATTEST:

**THE INDUSTRIAL DEVELOPMENT BOARD
OF RUTHERFORD COUNTY, TENNESSEE**

Secretary

By: _____
Name: _____
Title: Chairman
Date: _____

[Signature Page to Economic Impact Plan]

APPROVED:
CITY OF LA VERGNE, TENNESSEE

By: _____

Name: _____

Title: _____

Date: _____

[Signature Page to Economic Impact Plan]

APPROVED :
RUTHERFORD COUNTY, TENNESSEE

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A

Plan Area

[See Next Page]

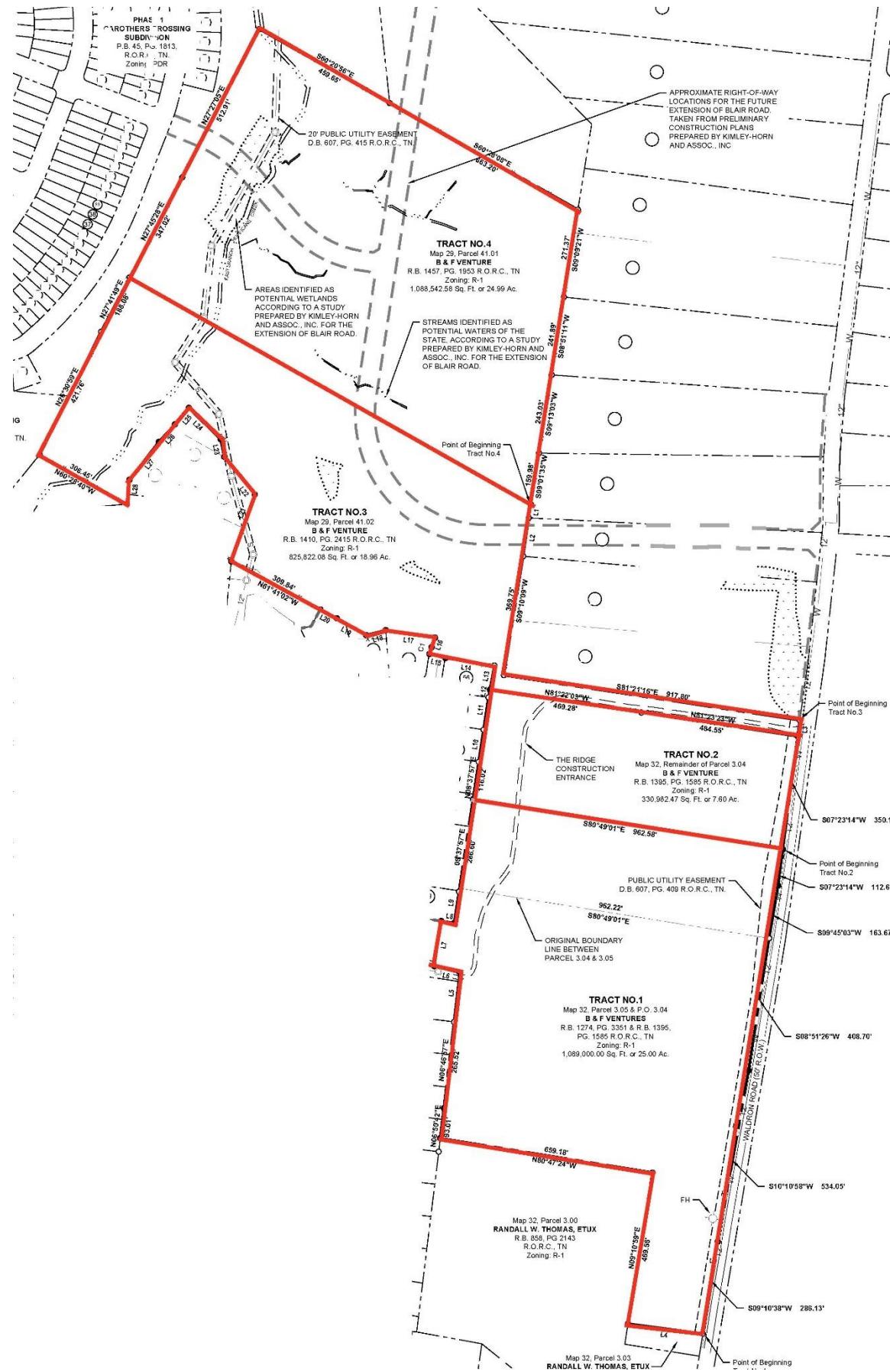


EXHIBIT B

Younger & Associates Economic Impact Study

[See Attached]

This study is provided separately due to its size.