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Mark Wright



**One Public Square
Nashville, Tennessee 37201
Telephone: (615) 862-6000
FAX Number: (615) 862-6040**

The Industrial Development Board of The Metropolitan Government of Nashville and Davidson County, Tennessee (“IDB”, “Board” or “Issuer”) was created pursuant to Tennessee Code Annotated § 7-53-101 *et seq.*, (the “Act”) for the purposes, among other things, “to finance, acquire, own, lease, or dispose of properties, to the end that such corporations may be able to maintain and increase employment opportunities, increase the production of agricultural commodities, and increase the quantity of housing available in affected municipalities by promoting industry, trade, commerce, tourism and recreation, agriculture and housing construction by inducing manufacturing, industrial, governmental, educational, financial, service, commercial, recreational and agricultural enterprises to locate in or remain in this state and further the use and production of its agricultural products and natural resources, and to vest such corporations with all powers that may be necessary to enable them to accomplish such purposes.” T.C.A. 7-53-102(a).

The IDB is authorized under the Act to issue its tax-exempt bonds in order to accomplish its stated purpose. It is the intention of the IDB to conduct its activities consistent with its statutory and public purpose pursuant to the provisions of the Act, and all other laws of the State of Tennessee, and with the enactments of the local legislative bodies of The Metropolitan Government of Nashville and Davidson County applicable to the IDB.

It being the intent of the Board that these IDB Bond Program Policies and Procedures will supersede any previously adopted policies and procedures of the same or similar subject matter; the Board has adopted the following policies and procedures relating to the issuance and tracking of Tax-Exempt Bonds (the “Policies and Procedures”):

Bond Application Submission

All Bond applications must be complete and timely submitted a minimum of thirty (30) days prior to the scheduled regular meeting of the Board of Directors at which time the submitted application will be considered for approval by the Board of Directors. **Incomplete Bond applications will not be accepted nor reviewed by the IDB.** The IDB meets every second Wednesday of the month, subject to change as needed. Public meeting notices and meeting dates can be found at: [Industrial Development Board | Nashville.gov](http://IndustrialDevelopmentBoard|Nashville.gov).

To appropriately submit a Bond application to the IDB staff, the Applicant shall submit: (i) an electronic copy of the Bond application in portable document format (PDF) to the IDB staff and (ii) the non-refundable application fee due and payable upon submission of the Bond application. If any minor errors exist within a submitted Bond application, then the IDB staff may, in its sole discretion, allow the Applicant up to ten (10) business days to make the necessary

corrections.

The submitted Bond application must contain the following subject line in the email:

“IDB Bond Financing (Type of Application) (Name of Applicant); (Month/Year)”

All Bond applications shall be collectively emailed to the individuals listed below:

Jamari Brown, Executive Director

One Public Square
Nashville, Tennessee 37201
Phone: (615) 862-6000
Fax: (615) 862-6040

Email: Jamari.Brown@Nashville.gov

Carpenter Law, PLLC

Three Eight Six Beale Street
Memphis, Tennessee 38103
Phone: (901) 523-7788
Fax: (901) 523-2849

Email: Charlesc@386beale.com
Corbinc@386beale.com

The Bond application must be submitted in compliance and conformity with these Policies and Procedures. If the format of the submitted Bond application does not comply with these Policies and Procedures and the guidelines set forth and more fully described herein for submission, then the Bond application will not be accepted or reviewed.

Upon submission of this Bond application, all application fees associated herewith must be paid in full prior to appearing before the Board of Directors to be considered for approval. The Applicant acknowledges and agrees that any and all paid Bond application fees are non-refundable.

Bond Application Fee

The Bond application fee charged to each Applicant, per project, shall be in the total amount of **Five Thousand Dollars (\$5,000.00)**.

The Bond application fee is defined as a non-refundable fee that is due and payable contemporaneously with the submission of the Bond application. Domestic wire and ACH transfers to the IDB are acceptable and preferred for this payment. Checks must be made payable to “The Industrial Development Board of The Metropolitan Government of Nashville and Davidson County” and mailed to:

Jamari Brown, Executive Director

One Public Square
Nashville, Tennessee 37201
Telephone: (615) 862-6000
Fax: (615) 862-6040

Email: Jamari.Brown@Nashville.gov

The non-refundable Bond application fee shall not be credited against the traditional closing fees for the bond financing. The Bond application fee listed above are subject to amendment, at any time, at the sole discretion of the Board of Directors.

Board of Directors Review and Approval Considerations

The IDB meets every second Wednesday of the month, subject to change as needed. Public meeting notices and meeting dates can be found at: [Industrial Development Board | Nashville.gov](http://IndustrialDevelopmentBoard|Nashville.gov). Applicants will have an opportunity to present to the Board of the Directors which will deliberate on all Bond applications and render its decisions for approval on all Bond applications through majority vote at each regular meeting.

Bond Closing Extension Fees

Following majority approval from the Board of Directors of a Bond application at its regular meeting, an Applicant will have up to **six (6) months from the time of approval** to close the Bond transaction. If the Bond transaction has not been closed within that time frame, the Applicant may apply to the Issuer for an additional six (6) month extension period. After one (1) closing extension is granted, any additional closing extensions will require good cause shown to the Board of Directors at its regular meeting to receive approval for the requested extension.

Each Bond closing extension fee is equal to the original Bond application fee and shall be due and payable before each requested Bond closing extension shall be considered for approval by the Board of Directors. **Domestic wire and ACH transfers to the IDB are acceptable and preferred for this payment. The Bond closing extension fee is a non-refundable separate fee and shall not be credited against the traditional closing fees.**

Additionally, all Bond transactions not closed within **one (1) year of approval** are subject to withdrawal by the Board of Directors, at their sole discretion. **Any fees expended up to that point by the Applicant to the IDB in connection with the approval process for the Bond application shall be non-refundable and will not be credited towards any future Bond application submitted for consideration.**

Project Eligibility

For any Applicant applying for approval for the issuance by the IDB of its revenue bonds to facilitate economic development must, upon submission of the Bond application, be compliance with these Policies and Procedures and meet the following eligibility requirements to be considered for approval:

(a) **Site Control** – the Applicant must own the property and provide evidence of ownership in the form of a deed or have an option or right to purchase the property in order to be eligible to apply for approval of a bond financing. The Issuer will not approve any project that lacks proper indicia of ownership by the Applicant, whether through option contract or otherwise.

(b) **Zoning of Property** – The Issuer will not approve any proposed bond financing where the property in interest has not been appropriately zoned by or received all required variances from the governing body having jurisdiction over the land on which the facilities are to be constructed. A certificate from the Zoning Department of the appropriate governing body evidencing that all zoning and variance requirements have been met must be attached to the Bond application. Additionally, should changes in design necessitate zoning variances after approval of the Inducement Resolution, then the Issuer reserves the right to withdraw its Inducement Resolution and to refuse to finance such multifamily residential rental facilities until and unless the appropriate variances are obtained and substantiated by certificate provided to the Issuer.

(c) **Valid Legal Entity** – the Applicant must be a valid legal entity that: (i) is duly authorized to conduct business under the laws of the State of Tennessee; (ii) is in good standing under the laws of the State of Tennessee; (iii) has the experience and the sophistication in addition to the power and authority to execute any and all bond documents and related financing documents contemplated thereby in connection with the issuance, sale and delivery of the revenue bonds.

Issuer Documentation

In connection with the Applicant’s approval of its Bond application the Issuer’s General Counsel along with Bond Counsel shall commence drafting certain Issuer Documentation and Bond Documentation.

Issuer Documentation

The required Issuer Documentation following an approved Bond application shall include, but not limited to, the following:

(a) **Inducement Resolution** – is approved by majority vote of the Issuer’s Board of Directors at its regular meeting. The Inducement Resolution describes how the Applicant intends to use the proceeds of the bonds, sets the applicable parameters for the bond financing including the maximum principal amount of the bonds expected to be issued for the project, and contains a general description of the proposed project and (the “**Inducement Resolution**”).

(b) **Memorandum of Understanding** – that is entered into by and between the Issuer and the Applicant setting forth certain conditions, terms and estimated fees and expenses in connection with the contemplated bond financing (the “**Memorandum of Understanding**”).

(c) **TEFRA Approval/Mayoral Certificate** – pursuant to the Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”), all private activity bonds must be approved by the applicable elected representative of both the governmental entity that issues the bonds and each governmental entity having jurisdiction over the area in which the proposed residential rental facility to be financed is located. TEFRA notices are published in a public newspaper of general circulation with seven (7) days’ advance notice of the scheduled TEFRA hearing. Following the TEFRA hearing the Mayor of Nashville and Davidson County may execute the Mayoral Certificate confirming that the TEFRA hearing, and the public notices published therewith were done so in compliance with applicable law (the “**TEFRA Approval**”).

(d) **Final Bond Resolution** – is approved by majority vote of the Issuer’s Board of Directors at its regular meeting, wherein the Issuer requires that “substantially final bond documents” for the transaction be presented at this meeting. The Final Bond Resolution will approve the issuance of the bonds, the documents related to the issuance of the bonds (including the use of any official statement or other offering document in connection with the bond sale), and the final terms and conditions of the sale. The Final Bond Resolution establishes and sets forth certain parameters of the bond financing, including the applicable interest rates and the maturity dates (the “**Final Bond Resolution**”, and together with the Inducement Resolution, the Memorandum of Understanding, the TEFRA Approval are hereinafter called the “**Issuer Documentation**”).

Closing Costs and Expenses

Issuer Closing Costs

The Issuer shall charge for each long-term bond issue (greater than five years) for initial financing by the Issuer an Issuer Fee to be paid at closing of two-tenths of one percent (20 basis points) (.0020) of the par amount of the bond issue.

In connection with the refunding of the Issuer’s bonds, the Issuer shall charge an Issuer Fee to be paid at closing of two-tenths of one percent (20 basis points) (.0020) of the par amount of the bond issue.

Issuer’s Counsel Fees

All fees of Issuer Counsel shall be paid by the Applicant; typically, as a part of the costs of issuance of the financing, or directly as stated hereinafter. The fees of Issuer Counsel shall be fees normally and customarily charged in the industry and shall be based on the level of legal services required, complexity of the transaction and the amount of time required, and therefore, will vary by transaction.

Miscellaneous

Indemnification

The Applicant (or the lender if a lender loans bond proceeds to the Applicant) will covenant and agree in the applicable Bond Documentation that it shall indemnify and hold harmless the Issuer and its officers, directors, officials, Issuer’s Counsel, employees and agents, including the Trustee and any applicable financial advisor to the Issuer, from and against: (i) any and all claims of or on behalf of any person arising from any cause whatsoever in connection with the project or the bond financing thereof except for the payment of principal and interest on the bonds, including any expenses arising from the failure to make payment of principal and interest on the bonds; (ii) any and all claims arising from any act or omission of the Applicant or lender or any of its agents, contractors, servants, employees or licensees, in connection with the project or financing thereof; and (iii) all costs, legal counsel fees, expenses or liabilities incurred in connection with any such claim or proceeding brought thereon.

In the event that any action or proceeding is brought against the Issuer or any of its officers, directors, officials, Issuer's Counsel, employees or agents, including the Trustee, with respect to which indemnity may be sought hereunder, the Applicant and/or lender, upon written notice from the indemnified party, shall assume the investigation and defense thereof, including the employment of separate and independent legal counsel (acceptable to the Issuer) in addition to the payment of all expenses incurred in connection therewith.

Events of Default

Unless otherwise approved by the Issuer prior to the issuance of the bonds, the applicable Issuer Documentation authorizing issuance of the bonds shall provide that failure to comply with these Policies and Procedures shall constitute an "Event of Default" and shall provide that the Trustee, at the direction of the Issuer, may accelerate the maturity and require immediate payment of the bonds in the event that the Applicant fails to observe or perform in any material respect any covenant, condition or agreement required by these Policies and Procedures to be observed or performed and fails to take and complete corrective action to comply with these Policies and Procedures within a period of sixty (60) days after receipt of written notice, specifying such failure and requesting that it be remedied, given to the Applicant by the Issuer or the Trustee; however, if the failure stated in the notice cannot be corrected within the applicable period, the Issuer and the Trustee will not unreasonably withhold consent to an extension of such time if corrective action is instigated by the Applicant within the applicable period and diligently pursued until the "Event of Default" is corrected.

Amendments, Changes and Modifications

The Issuer may amend or modify these Policies and Procedures as it deems necessary; however, any amendment to these Policies and Procedures occurring after initial issuance of bonds or any refunding issue for the bonds for a particular project shall not apply to such project unless written approval is obtained from the Applicant and the Trustee obtains an opinion satisfactory to the Issuer, the Trustee and the Applicant by nationally recognized Bond Counsel knowledgeable in such matters, to the effect that such amendments if made applicable to the project will not adversely affect the rights of holders of the bonds issued in connection with the project.

Conflicts of Interest

To avoid conflicts of interest, no financing will ordinarily be approved if the Issuer's Counsel or Bond Counsel has a professional legal relationship or direct or indirect ownership in the Applicant or any sponsor of the financing other than incidental representation or representation in connection with the proposed financing or similar issues; however, the Issuer may administratively waive this condition for good cause shown in the appropriate circumstances.

In addition, no project shall be approved if any current Board member has a direct or indirect interest in the Applicant, unless said Board member shall first disclose publicly his or

her interest and shall abstain from any participation in and/or voting on the Bond application and consideration of financing of said project. No Board members shall make, participate in making, or use their official position to influence a project in which he or she knows or has reason to know that he or she has a financial interest or will receive a future financial benefit therewith.

Contacts

All notices, certificates or other written communications required to be provided herein shall be transmitted through electronic mail or physically delivered through certified mail, postage prepaid to the parties located at the addresses as set forth below, or delivered to such other addresses provided through written request from any party listed hereinbelow:

The Industrial Development Board of Nashville and Davidson County, Tennessee

Jamari Brown, Executive Director

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Nashville, Tennessee 37201
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