

RESOLUTION NO. RS2014- 1289

A resolution authorizing an economic and community development incentive grant to be made to the Industrial Development Board of The Metropolitan Government of Nashville and Davidson County for the benefit of Bridgestone Americas, Inc. and its affiliates

WHEREAS, the Metropolitan Government of Nashville and Davidson County ("Metropolitan Government") is vitally interested in the economic welfare of the citizens living within the area of the Metropolitan Government (such area, the "County") and wishes to provide the leadership necessary to enhance this area's capabilities for growth and development; and,

WHEREAS, the provision of quality jobs to area citizens by local business is both necessary and vital to the economic well-being of the Metropolitan Government; and,

WHEREAS, pursuant to Tenn. Code Ann. § 5-9-101(26), the Metropolitan Government is authorized to use available funds to make grants for economic and community development purposes; and,

WHEREAS, pursuant to Chapter 2.210 of the Metropolitan Code, in order to encourage economic and community development within the County, the Metropolitan Government is authorized to make economic and community development incentive grants with respect to "qualified projects" and "qualified companies" (as such terms are defined in Section 2.210.010 of the Metropolitan Code) if the location of such qualified project or such qualified company's applicable facility within the County is expected to result in the creation of at least five hundred additional jobs within the County during the first five years of operations or during the first five years of an expansion of operations; and,

WHEREAS, Chapter 2.210 of the Metropolitan Code provides that the actual amount and period of economic and community development incentive grants pursuant to such Chapter 2.210 shall be made by taking into account, among other things, the number of jobs created, the amount of revenue from all sources that is anticipated to be received by the Metropolitan Government with respect to the location of the qualified company and its operations in the County (or in the qualified project), and other economic and community development opportunities that the qualified company and/or the qualified project is expected to create; and,

WHEREAS, Bridgestone Corporation, a publicly traded corporation ("Bridgestone"), is the world's largest manufacturer of tires and rubber products; and,

WHEREAS, BSAM is a subsidiary of Bridgestone and the parent entity for certain of Bridgestone's operations, including Bridgestone's North American, South American and Central American tire operations; and,

WHEREAS, BSAM and certain of its subsidiaries currently maintain their headquarters in Nashville, Tennessee; and,

WHEREAS, after conducting a multi-state site selection process for a new headquarters facility, BSAM has announced its decision to relocate its headquarters and the headquarters of certain of

its subsidiaries to a facility (the “Project”) to be (i) developed by Highwoods Realty Limited Partnership (the “Project Developer”), and (ii) located in Nashville, Tennessee; and,

WHEREAS, in addition to relocating the headquarters of BSAM and its Nashville-based subsidiaries to the Project, BSAM has announced that the headquarters of certain non-Nashville, non-Tennessee BSAM subsidiaries will be relocated to the Project, including, but not limited to, the headquarters of Bridgestone Americas Retail Operations, LLC (currently headquartered in Bloomingdale, Illinois), the headquarters of Firestone Industrial Products Company, LLC (currently headquartered in Carmel, Indiana) and the headquarters of Firestone Building Products Company, LLC (currently headquartered in Carmel, Indiana); and,

WHEREAS, in its initial scope and configuration, the Project will consist of (i) an approximately .9845 acre parcel of land located at 200 Fourth Avenue, South, Nashville, Tennessee, (ii) an office building and related common areas currently estimated to contain approximately 514,000 rentable square feet of space (excluding common areas) to be constructed on such land, and (iii) a multi-deck parking facility and other improvements to be constructed on such land; and,

WHEREAS, in connection with the development and construction of the Project, (1) title to the Project will be conveyed to, and held by, the Industrial Development Board of The Metropolitan Government of Nashville and Davidson County (the “Board”), (2) the Board and the Project Developer will enter into a lease agreement pursuant to which the Board will lease the Project to the Project Developer, and (3) the Project Developer and BSAM have entered into a Lease Agreement, dated as of October 23, 2014 (the “BSAM Sublease”), pursuant to which the Project Developer will sublease approximately 506,000 rentable square feet of office space within the Project to BSAM; and,

WHEREAS, BSAM anticipates that the occupancy of a portion of the Project by Company Entities (as defined in Exhibit A hereto) will result in the creation of more than 500 Incremental Company Entity Positions (as defined in Exhibit A hereto) during the first five years following the completion of the Project; and,

WHEREAS, the Metropolitan Government has found that (1) the Project meets the criteria of a “qualified project” under Section 2.210.010 of the Metropolitan Code, (2) BSAM and any Company Entities that occupy the Project meet the criteria of a “qualified company” under Section 2.210.010 of the Metropolitan Code, and (3) the Project, BSAM and any Company Entities that occupy the Project meet the criteria to be eligible to receive the benefits of an economic and community development incentive grant as authorized by Sections 2.210.020(A) and (B) of the Metropolitan Code; and,

WHEREAS, the Metropolitan Government has found that the development and construction of the Project within the County, the related investment and growth in connection therewith, the relocation of the respective headquarters of BSAM and certain of its subsidiaries to the Project, and the employment growth in the County as a result of the foregoing will significantly expand employment and other commercial opportunities for area citizens; and,

WHEREAS, in order to promote industry and develop trade and to create jobs and reduce unemployment and to further other public purposes of the Metropolitan Government, and after taking into account, among other things, the amount of revenue from all sources that is anticipated to be received by the Metropolitan Government from the development and

construction of the Project within the County, the related investment and growth in connection therewith, the relocation of the respective headquarters of BSAM and certain of its subsidiaries to the Project and other economic and community development opportunities that BSAM and any Company Entities that occupy the Project are expected to create within the County as a result of the development and construction of the Project, the Metropolitan Government has found that it is in the best interest of the Metropolitan Government to make an economic and community development incentive grant to BSAM in an amount calculated by multiplying the number of Incremental Company Entity Positions as of the last day of each "Grant Year" (as defined in Exhibit A hereto) by \$500 for a period of seven years; and,

WHEREAS, it is in the interest and welfare of the citizens of the Metropolitan Government to approve and execute the Economic and Community Development Incentive Grant Agreement with the Board and BSAM in the form attached hereto as Exhibit A.

NOW, THEREFORE BE IT RESOLVED BY THE METROPOLITAN COUNTY COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

Section 1. That the Metropolitan Government shall make annual economic and community development incentive grant payments to the Board for the benefit of BSAM and other Company Entities (as defined in Exhibit A hereto) that occupy portions of the Project during the seven year Grant Period (as defined in Exhibit A hereto).

Section 2. That the amount of the annual incentive grant payments authorized hereby be calculated by multiplying the number of Incremental Company Entity Positions (as defined in Exhibit A hereto) for each Grant Year (as defined in Exhibit A hereto) by \$500.

Section 3. Notwithstanding anything to the contrary herein, the Metropolitan Government's obligation to make any payments hereunder is contingent upon the annual appropriation of funds for such purpose by the Metropolitan Council.

Section 4. That the Agreement by and among the Metropolitan Government, the Board and BSAM, the form of which is attached hereto as Exhibit A and incorporated herein by reference, is hereby approved, and the Mayor is authorized to execute the same; provided, however, that the form of such Agreement must be approved as to legality by the Metropolitan Government Department of Law prior to being executed by the Metropolitan Government or the Board.

Section 5. That other than as provided at Section 4 of this Resolution, any material amendments, renewals, or extension of the terms of the Agreement must be approved by resolution of the Metropolitan Council.

Section 6. That this Resolution shall take effect from and after its passage, the welfare of The Metropolitan Government of Nashville and Davidson County requiring it.

RECOMMENDED:



Matthew A. Wiltshire  
Director of the Mayor's Office  
Economic and Community Development

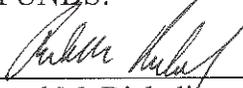
INTRODUCED BY:



\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

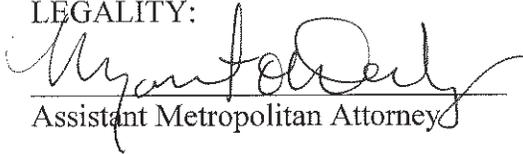
Member(s) of Council

APPROVED AS TO AVAILABILITY  
OF FUNDS:



Richard M. Riebeling  
Director of Finance

APPROVED AS TO FORM AND  
LEGALITY:



Assistant Metropolitan Attorney