Date:        February 21 2020
To:          Board of Commissioners
From:        Benjamin M. Bentley, Secretary
Subject:     AGENDA

Board Meeting of the Board of Commissioners
Thursday, February 27, 2020, 5p.m.
KCDC Main Office, 901 N. Broadway
Knoxville, Tennessee  37917

1. Call to Order.

2. Approval is requested for minutes of the meeting held on January 30, 2020. (Item 2 Attachment)

3. Motion to add, delete or postpone agenda items.

4. Reports of officers and special presentations.

NEW BUSINESS

REDEVELOPMENT/LEGAL SERVICES (Brad Peters)
5. Resolution regarding a second amendment to loan agreement and tax increment revenue note with respect to the South Waterfront Riverwalk Project. (Item 5 Attachment)

6. Resolution authorizing the release of covenants and restrictions relating to the Mountain View Urban Renewal Plan or any recorded document relating thereto as to property to be used for the Knoxville Science Museum. (Item 6 Attachment)

7. Preliminary Bond Resolution regarding Bell Street 3 LP. (Item 7 Attachment)

8. Resolution authorizing certain transactions related to Moss Grove Flats. (Item 8 Attachment)

FINANCE ADMINISTRATION (Tracee Pross)
9. Resolution regarding extension of loan to the Head Start Facility. (Item 9 Attachment)

Unfinished Business
Public Forum
Adjournment

The next meeting of the KCDC Board of Commissioners will be
Thursday, March 26, 2020 @ 5:00 p.m.

THIS MEETING AND ALL COMMUNICATIONS BETWEEN MEMBERS IS SUBJECT TO THE PROVISIONS OF THE TENNESSEE OPEN MEETINGS ACT, TENN. CODE ANN. §8-44–101, et seq.
BOARD MEETING MINUTES

The Board of Commissioners of Knoxville's Community Development Corporation met on January 30, 2020 at 901 N. Broadway, Knoxville, Tennessee.

Present: Chair John Winemiller
Vice Chair Bob Whetsel
Treasurer Robyn McAdoo
Commissioner Kim Henry
Commissioner Sylvia Cook
Commissioner Bruce Anderson
Commissioner Kanika White

Absent:

The meeting was called to order and a quorum declared present at 5:00 p.m.

Approval of the minutes for the meeting held on December 12, 2019. Commissioner McAdoo moved to approve. Commissioner Henry seconded the motion. All other Commissioners present voted "Aye."

The Chair welcomes new Board Commissioner, Kanika White.

NEW BUSINESS

REDEVELOPMENT/LEGAL SERVICES (Brad Peters)
Resolution authorizing the sale and development of certain real property in the South Waterfront Redevelopment Area located at 931 Langford Avenue. Commissioner Whetsel moved to approve. Commissioner Anderson seconded the motion. All other Commissioners present voted "Aye."
Resolution No. 2020–01 is attached.

Resolution regarding the authorization to negotiate easement. Commissioner McAdoo moved to approve. Commissioner Cook seconded the motion. All other Commissioners present voted "Aye."
Resolution No. 2020–02 is attached.

Resolution regarding the authorization to negotiate a change order for the TOA demolition contract. Commissioner Henry moved to approve. Commissioner Whetsel seconded the motion. All other Commissioners present voted "Aye."
Resolution No. 2020–03 is attached.

Resolution regarding the formation and organization matters of Bell Street 2 Corporation. Commissioner McAdoo moved to approve. Commissioner Cook seconded the motion. All other Commissioners present voted "Aye."
Resolution No. 2020–04 is attached.
Resolution regarding the formation and organization matters of Bell Street 3 Corporation. Commissioner McAdoo moved to approve. Commissioner Cook seconded the motion. All other Commissioners present voted "Aye." Resolution No. 2020–05 is attached.

HOUSING (Sean Gilbert)
Approval to allow the Housing Choice Voucher Small Area Fair Market Rent (SAFMR) exception payment standard increase. Commissioner Anderson moved to approve with correction. Commissioner Henry seconded the motion. All other Commissioners present voted "Aye."

PUBLIC FORUM
None

UNFINISHED BUSINESS
None

ADJOURNMENT
With no further business to come before the Board, the meeting adjourned at 5:36 p.m.

______________________________
John T. Winemiller, Chair

ATTEST:

______________________________
Benjamin M. Bentley, Secretary

Approved:
### BOARD ACTION FORM

<table>
<thead>
<tr>
<th>MEETING DATE</th>
<th>February 27, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGENDA ITEM DESCRIPTION</td>
<td>Resolution authorizing a second amendment to loan agreement and tax increment revenue note with respect to a redevelopment project known as the South Waterfront Riverwalk Project.</td>
</tr>
</tbody>
</table>
| SUBMITTED BY      | Name & Title: Brad Peters, VP Redevelopment/Legal Services  
Department: Redevelopment |
| MEETING TYPE      | Regular | Special |
| AGENDA CLASSIFICATION | Resolution | Regular |
| BUDGET / FINANCIAL IMPACT | Budgeted: 0  
Expenditure: 0  
Source of Funds: N/A |
| APPROVAL/REVIEWS  | Department Head/Vice President | Budget/Finance  
Legal Counsel | Name of Reviewer: Mark Mamantov  
Executive Director/CEO | Other - Name & Title: |
| STAFF RECOMMENDED ACTIONS | Approve: ☒  
Deny: ☐  
Defer: ☐ |

### BACKGROUND

1. **What's the objective of the requested action?**
   As described in the attached Resolution, KCDC desires to amend the Note and the Loan Agreement to change the date each year that the annual principal payment is due under the Note and the Loan Agreement to April 1.

2. **Why is the action needed now?**
   The first annual principal payment is due this year. The desired amendment to change the date each year that the annual principal payment is due under the Note and the Loan Agreement will correlate with the date each year that KCDC will receive an allocation of Incremental property taxes.

3. **Who are the parties involved and what are their roles (if appropriate)?**
   TIF Documents: Riverwalk Investors, LLC-Developer, Guarantor; Pinnacle Bank-Lender; KCDC-Borrower (only to the extent of available TIF funds)

4. **What are the long term and short term exposures to KCDC?**
   N/A-The note and obligations relating hereto are not general obligations of KCDC and are payable only from any TIF revenues.

### HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)

The KCDC Board approved the amendment to the redevelopment plan to generally allow this TIF financing on October 31, 2013.

### ATTACHMENTS

Resolution, Second Amendment to Loan Agreement and Tax Increment Revenue Note
RESOLUTION NO. 2020-____

RESOLUTION OF THE BOARD OF COMMISSIONERS OF KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION REGARDING A SECOND AMENDMENT TO LOAN AGREEMENT AND TAX INCREMENT REVENUE NOTE WITH RESPECT TO A REDEVELOPMENT PROJECT KNOWN AS THE SOUTH WATERFRONT RIVERWALK PROJECT

WHEREAS, the Board of Commissioners of Knoxville's Community Development Corporation ("KCDC") has met pursuant to proper notice; and

WHEREAS, KCDC is the housing, redevelopment and urban renewal authority of the City of Knoxville, Tennessee (the "City") and is duly incorporated pursuant to Sections 13–20–101 et seq., Tennessee Code Annotated; and

WHEREAS, KCDC previously executed and delivered its Tax Increment Revenue Note (South Waterfront Riverwalk Project) Series 2016A (Senior Note) dated December 29, 2016, payable to the order of Pinnacle Bank (the "Bank") in the original principal amount of Thirty Six Million Eight Hundred Ten Thousand Dollars ($15,644,707.00), as amended by that certain Amendment to Loan Agreement and Tax Increment Revenue Note dated as of December 12, 2019 among Riverwalk Investors, LLC ("Riverwalk"), Grand Oak Riverwalk, LLC (collectively, the "Developer"), the Bank, and KCDC (as amended, the "Note"); and

WHEREAS, the Note was executed and delivered in connection with a Senior Loan Agreement dated as of December 29, 2016, between KCDC and the Bank, as amended by that certain Amendment to Loan Agreement and Tax Increment Revenue Note dated as of December 12, 2019 among the Developer, the Bank, and KCDC (as amended, the "Loan Agreement"); and

WHEREAS, KCDC desires to amend the Note and the Loan Agreement to change the date each year that the annual principal payment is due under the Note and the Loan Agreement in order to correlate with the date each year that KCDC will receive an allocation of incremental property taxes; and

WHEREAS, there has been submitted to KCDC a form of a Second Amendment to Loan Agreement and Tax Increment Revenue Note (the "Amendment") which KCDC proposes to execute to carry out the changes described above and a copy of such agreement shall be filed with the records of KCDC.
NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION:

1. The Chairman or Vice Chairman of KCDC is hereby authorized and directed to execute and either is authorized to deliver the Amendment to the other parties thereto.

2. The Amendment shall be in substantially the form submitted, which is hereby approved, with such completions, omissions, insertions and changes as may be requested by the City or approved by the officers executing it, their execution to constitute conclusive evidence of their approval of any such omissions, insertions and changes.

3. The Chairman, Vice Chairman or any other officer of KCDC is hereby authorized to take all such further action as he or she may consider necessary or desirable in connection with the transactions described herein and to take from time to time any actions deemed necessary or desirable by such officer to effectuate and comply with the terms of such Amendment as is executed on behalf of KCDC pursuant to the authorization contained herein.

4. Any and all other actions heretofore taken on behalf of KCDC by the officers of KCDC to execute and deliver the Amendment authorized by the foregoing resolutions, or to take any of the other actions authorized by the foregoing resolutions, and all acts of the officers of KCDC that are in conformity with the purposes and intent of these resolutions, are hereby approved, ratified and confirmed in all respects.

Approved this ____ day of February, 2020.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

By: ____________________________
Secretary
SECOND AMENDMENT TO LOAN AGREEMENT AND TAX INCREMENT REVENUE NOTE

THIS SECOND AMENDMENT, executed the ___ day of ____________, 2020, by and between KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION, a housing and redevelopment authority of the City of Knoxville, Tennessee, organized under the Tennessee Housing Authority Law, Tenn. Code Ann. §§ 13-20-101, et seq. ("Borrower"), PINNACLE BANK, a state-chartered Tennessee bank ("Bank"), RIVERWALK INVESTORS, LLC, a Tennessee limited liability ("Riverwalk"), and GRAND OAK RIVERWALK, LLC, a Tennessee limited liability ("GOR" and collectively with Riverwalk, the "Developer").

WITNESSETH:

WHEREAS, Bank is the holder of Borrower’s Tax Increment Revenue Note (South Waterfront Riverwalk Project) Series 2016A (Senior Note) dated December 29, 2016, payable to the order of Bank in the original principal amount of Thirty Six Million Eight Hundred Ten Thousand Dollars ($15,644,707.00), as amended by that certain Amendment to Loan Agreement and Tax Increment Revenue Note dated as of December 12, 2019 among the Bank, the Borrower and the Developer (as amended, the "Note"); and

WHEREAS, the Note was executed and delivered in connection with a Senior Loan Agreement dated as of December 29, 2016, between Borrower and Bank, as amended by that certain Amendment to Loan Agreement and Tax Increment Revenue Note dated as of December 12, 2019 among the Bank, the Borrower and the Developer (as amended, the "Loan Agreement"; capitalized terms used but not defined herein shall have the meanings set forth in the Loan Agreement); and
WHEREAS, the parties desire to change the date each year that the annual principal payment is due under the Note and the Loan Agreement in order to correlate with the date each year that Borrower will receive the allocation of Tax Increment Revenues.

NOW, THEREFORE, in consideration of the mutual promises herein contained and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. The date of “December 29, 2044” in the first paragraph on page 1 of the Note is hereby deleted and replaced with “June 1, 2045.”

2. The first and second sentences of the fourth paragraph on page 1 of the Note are hereby amended and restated as follows:

Commencing on February 1, 2017 and continuing on the first day of each month thereafter through and including June 1, 2020, and on June 1 of each year thereafter through the Maturity Date (each a “Note Payment Date”), the undersigned shall make payments of all interest accrued through the period ending fifteen (15) days prior to such payment due date, so that by way of example, but not limitation, the payment due on November 1, 2019, shall include all interest accrued through October 16, 2019, with all such payments to be made from Tax Increment Revenues available therefor and/or funds provided by Developer. All Tax Increment Revenues that are on deposit in the Tax Increment Fund on each Note Payment Date, after the payment of accrued interest on this Note and the Administrative Fee payable to Borrower pursuant to Section 7.2(b) of the Senior Loan Agreement, shall be applied to the payment of the principal on this Note as a prepayment thereof; provided, however, that on each Note Payment Date commencing on June 1, 2020 and on each Note Payment Date thereafter, the principal amount of this Note shall be reduced in an amount sufficient, in the determination of the Lender, to amortize in full the principal amount of this Note then outstanding by the Maturity Date based upon the interest rate in effect at the time such amount is determined in level combined principal and interest payments.

3. The definition of “Maturity Date” in Article I of the Loan Agreement is amended and restated as follows:
"Maturity Date" means June 1, 2045.

4. The definition of "Note Payment Date" in Article I of the Loan Agreement is amended and restated as follows:

"Note Payment Date" means February 1, 2017 and the first day of each month thereafter through and including June 1, 2020, and on June 1 of each year thereafter through the Maturity Date.

5. The two instances of "February 1, 2020" in Section 2.6 of the Loan Agreement are deleted and replaced with "June 1, 2020."

6. All terms and conditions of the Note and the Loan Agreement will remain in full force and effect except as specifically modified herein.

7. This Amendment shall be attached to the Note and, to the extent it modifies the Note, shall become a part thereof.

8. This Amendment shall be executed on behalf of the Borrower with the manual signature of the Chairman, Vice Chairman or other duly authorized officer of the Borrower. The obligations of the Borrower under this Amendment and the other Loan Documents (as modified hereby), shall not constitute an indebtedness of the City of Knoxville (the "City") or Knox County (the "County") within the meaning of the Constitution and statutes of the State of Tennessee or the charter or ordinances of the City or the County. In the event that a default occurs under this Amendment or the other Loan Documents (as modified hereby), no judgment for any deficiency for the obligations of the Borrower thereunder shall be sought or obtained against the Borrower, except for any Tax Increment Revenues or other revenues or funds pledged to or
designated for the payment of such obligations. Nothing contained in this Section shall (x) be deemed to be a release or impairment of the indebtedness evidenced by the Note (as modified hereby) or the lien of the other Loan Documents (as modified hereby), or (y) preclude the Bank from (1) realizing on the collateral described in the Loan Documents in the event of a default, or (2) enforcing any other rights of the Bank against third parties other than the Borrower.

9. No recourse under or upon any obligation, covenants or agreement contained in this Amendment shall be had against any incorporator, member, employee, director or officer, as such, past, present or future, of the Borrower, either directly or through the Borrower. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director or officer is hereby expressly waived and released as a condition of and consideration for the execution of this Amendment.

10. The City, the County and all of their respective officers and agents shall not, in any event, be liable for the performance of any obligation or agreement of any kind whatsoever herein, and none of the agreements or obligations of the Borrower contained in this Amendment or otherwise shall be construed to constitute an indebtedness of the City, the County or any of their respective officers or agents, within the meaning of any constitutional or statutory provision whatsoever.
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed as of the day and year first above written.

"BORROWER"

KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION

By:______________________________

Title:____________________________

"GOR"

GRAND OAK RIVERWALK, LLC

By: MPR Consultants, Inc.
Its: Manager

By:______________________________
           Victor J. Mills, President

"RIVERWALK"

RIVERWALK INVESTORS, LLC

By: MPR Consultants, Inc.
Its: Manager

By:______________________________
           Victor J. Mills, President

"BANK"

PINNACLE BANK

By:______________________________
Its______________________________
# BOARD ACTION FORM

<table>
<thead>
<tr>
<th>MEETING DATE</th>
<th>February 27, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGENDA ITEM DESCRIPTION</td>
<td>Resolution authorizing the release of any covenants and restrictions related to the Mountain View Urban Renewal Plan and/or to property to be used for the Knoxville Science Museum.</td>
</tr>
<tr>
<td>SUBMITTED BY</td>
<td>Name &amp; Title: Brad Peters, VP Redevelopment/Legal Services</td>
</tr>
<tr>
<td></td>
<td>Department: Redevelopment</td>
</tr>
<tr>
<td>MEETING TYPE</td>
<td>☒ Regular □ Special</td>
</tr>
<tr>
<td>AGENDA CLASSIFICATION</td>
<td>☒ Resolution □ Regular</td>
</tr>
<tr>
<td>BUDGET / FINANCIAL IMPACT</td>
<td>Budgeted: N/A Expenditure: N/A</td>
</tr>
<tr>
<td></td>
<td>Source of Funds: N/A</td>
</tr>
<tr>
<td>APPROVAL/REVIEWS</td>
<td>☒ Department Head /Vice President ☒ Budget/Finance</td>
</tr>
<tr>
<td></td>
<td>☒ Legal Counsel Name of Reviewer: Brad Peters</td>
</tr>
<tr>
<td></td>
<td>☒ Executive Director/CEO □ Other - Name &amp; Title:</td>
</tr>
<tr>
<td>STAFF RECOMMENDED ACTIONS</td>
<td>Approve: ☒ Deny: □ Defer: □</td>
</tr>
</tbody>
</table>

## BACKGROUND

1. **What's the objective of the requested action?**
   As described in the attached release, KCDC requests the release of any covenants and restrictions or other encumbrances relating to the Mountain View Urban Renewal Plan or any recorded document relating thereto as to certain property ("Property") to be used for the Knoxville Science Museum.

2. **Why is the action needed now?**
   In order for Knoxville Science Museum, Inc. to obtain unencumbered title to the Property in order to facilitate the development of a science center.

3. **Who are the parties involved and what are their roles (if appropriate)?**
   KCDC - previously approved Mountain View Urban Renewal Plan ("Plan"); City of Knoxville - entered into agreement to sell Property that is subject to the Plan to Knoxville Science Museum, Inc.; Knoxville Science Museum, Inc. - planning to construct and operate a science center on Property

4. **What are the long term and short term exposures to KCDC?**
   None.

**HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)**
KCDC has previously approved the Mountain View Urban Renewal Plan.

**ATTACHMENTS**
Resolution
RESOLUTION NO. 2020-____

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF
KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
AUTHORIZING THE RELEASE OF ANY COVENANTS AND
RESTRICTIONS RELATING TO THE MOUNTAIN VIEW URBAN
RENEWAL PLAN OR ANY RECORDED DOCUMENT RELATING
THERETO AS TO PROPERTY TO BE USED FOR THE KNOXVILLE
SCIENCE MUSEUM

WHEREAS, Knoxville’s Community Development Corporation ("KCDC") is the housing, redevelopment and urban renewal authority of the City of Knoxville, Tennessee (the "Municipality") and is duly incorporated pursuant to Sections 13-20-101 et seq., Tennessee Code Annotated; and

WHEREAS, pursuant to Sections 13-20-101 et seq., Tennessee Code Annotated, housing and redevelopment authorities in Tennessee are authorized to prepare and adopt, with the approval of the Municipality, urban renewal plans for specific areas of the Municipality; and

WHEREAS, KCDC has previously approved an urban renewal plan known as the Mountain View Urban Renewal Plan (as amended, the "Plan"), which plan still remains in effect, and the Municipality has approved such Plan; and

WHEREAS, the Municipality has entered into a Purchase and Sale Agreement to sell certain property (the "Property") in the area that is subject to the Plan to Knoxville Science Museum, Inc., a Tennessee nonprofit corporation ("KSM"), to be used by KSM to construct and operate a science center (the "Project"); and

WHEREAS, the development of the Project on the Property is consistent with the objectives of the Plan, but in order for KSM to obtain unencumbered title to the Property in order to facilitate the development of the Project, KCDC has been requested by the Municipality to release any restrictions, covenants, easement or other encumbrances (collectively, the "KCDC Encumbrances") relating to the Property so that the Municipality may convey unencumbered title to the Property to KSM; and

WHEREAS, KCDC and the Municipality are authorized to amend the Plan and KCDC Encumbrances pursuant to the terms thereof, and to the extent necessary, any instrument delivered by KCDC hereunder shall be deemed an amendment to the Plan; and
WHEREAS, the Board desires to authorize the officers of KCDC to enter into such documentation as is necessary to release all KCDC Encumbrances in a manner satisfactory to the Municipality and KSM so that no KCDC Encumbrances will affect the Property.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Knoxville's Community Development Corporation, as follows:

RESOLVED, that KCDC finds that the original purpose of the Plan has been satisfied and the conveyance by the Municipality of the Property to KSM is consistent with the terms of the Plan and the continued redevelopment of the Plan Area; and, further

RESOLVED, that the Chairman or the Vice Chairman of KCDC is hereby authorized and directed to execute, and, where requested, the Secretary or Assistant Secretary is authorized to attest, and/or any other officer of KCDC, acting alone or in combination with one another (individually and collectively the "Authorized Officers"), is (are) hereby authorized and empowered to execute, in the name of and on behalf of KCDC, all releases, waivers and other instruments deemed necessary by the Municipality and/or KSM so that no KCDC Encumbrances will affect the Property; and, further

RESOLVED, that any and all other actions heretofore taken on behalf of KCDC by the Authorized Officers to execute and deliver any of the instruments authorized by the foregoing resolution, or to take any of the other actions authorized by the foregoing resolution, and all acts of the Authorized Officers that are in conformity with the purposes and intent of these resolutions, are hereby approved, ratified and confirmed in all respects.

Approved this _____ day of February, 2020.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

By: ________________________________
   Secretary
# BOARD ACTION FORM

<table>
<thead>
<tr>
<th>MEETING DATE</th>
<th>February 19, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGENDA ITEM DESCRIPTION</td>
<td>Approval of Preliminary Bond Resolution for Bell Street 3 LP (Austin Homes Phase 3).</td>
</tr>
<tr>
<td>SUBMITTED BY</td>
<td>Name &amp; Title: Brad Peters, VP Redevelopment/Legal Services</td>
</tr>
<tr>
<td></td>
<td>Department: Redevelopment</td>
</tr>
<tr>
<td>MEETING TYPE</td>
<td>☒ Regular ☐ Special</td>
</tr>
<tr>
<td>AGENDA CLASSIFICATION</td>
<td>☒ Resolution ☐ Regular</td>
</tr>
<tr>
<td>BUDGET / FINANCIAL IMPACT</td>
<td>Budgeted: N/A ☐ Expenditure: N/A ☒</td>
</tr>
<tr>
<td>Source of Funds:</td>
<td>☒ Department Head / Vice President ☐ Budget/Finance</td>
</tr>
<tr>
<td></td>
<td>☒ Legal Counsel ☐ Name of Reviewer: James Moneyhun</td>
</tr>
<tr>
<td>APPROVAL/REVIEWS</td>
<td>☒ Executive Director/CEO ☐ Other - Name &amp; Title:</td>
</tr>
<tr>
<td>STAFF RECOMMENDED ACTIONS</td>
<td>Approve: ☒ Deny: ☐ Defer: ☐</td>
</tr>
</tbody>
</table>

## BACKGROUND

1. **What's the objective of the requested action?**
   This Preliminary Bond Resolution would allow KCDC to serve as the issuer of up to $25,000,000 in bonds to finance the construction of Austin Homes Phase 3, a 172-unit multifamily affordable housing development.

2. **Why is the action needed now?**
   In order to submit our bond application to THDA (in addition to the other requirements), KCDC needs to adopt this resolution. KCDC intends to submit an application with the Tennessee Housing Development Agency for 4% tax credits and bonds later in 2020.

3. **Who are the parties involved and what are their roles (if appropriate)?**
   The issuer of the bonds is KCDC. Bell Street 3 LP, is the bond applicant.

4. **What are the long term and short term exposures to KCDC?**
   None, these bonds will not become a general obligation of KCDC.

## HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)

Austin Homes is a four phase redevelopment project in east Knoxville that is owned and being redeveloped by KCDC. The first two phases are intended to be funded through 9% credits. The third phase is expected to be financed with 4% LIHTC and these tax exempt bond proceeds.

## ATTACHMENTS

Preliminary bond resolution, letter of intent
RESOLUTION NO. 2020-____

PRELIMINARY BOND RESOLUTION
OF THE BOARD OF COMMISSIONERS OF
KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
REGARDING BELL STREET 3 LP

WHEREAS, Bell Street 3 LP, a Tennessee limited partnership in which an affiliate of Knoxville's Community Development Corporation ("KCDC") is the general partner (the "Applicant"), is considering the acquisition, construction and equipping of an approximate 172-unit housing facility for low and moderate-income citizens to be on certain property located near the intersection of Harriet Tubman Street and Martin Luther King Jr. Avenue, which property is a portion of tax parcel number 095GA013 with an address currently designated as 1205 Old Vine Avenue in Knoxville, Tennessee, and wishes to have KCDC indicate its willingness to issue revenue bonds to provide financing for such purposes; and

WHEREAS, the acquisition, construction and equipping of such facilities will constitute a "project" within the meaning of T.C.A. § 13-20-101; and

WHEREAS, a letter of intent has been presented to KCDC under the terms of which KCDC agrees, subject to the provisions of such letter, to issue its revenue bonds in an amount not exceeding $25,000,000 to provide financing for such project.

NOW, THEREFORE, BE IT RESOLVED BY KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION as follows:

1. KCDC hereby finds that the financing of such above-described project will improve the quality and availability of housing in the City of Knoxville, Tennessee (the "City"), and will contribute to the general welfare of the citizens of the City.

2. The Chairman or the Executive Director of KCDC is hereby authorized to execute a letter of intent with the Applicant in substantially the form thereof as presented at this meeting or with such changes therein as shall be approved by the Chairman or the Executive Director. The officers of KCDC are hereby authorized to take such further action as is necessary to carry out the intent and purposes of the letter of intent as executed.

3. The Chairman or the Executive Director of KCDC is hereby authorized to conduct such public hearings on behalf of KCDC as the Applicant may request with respect to the project.
Approved this ____ day of February, 2020.

KNOXVILLE'S COMMUNITY
DEVELOPMENT CORPORATION

By: __________________________

Secretary
February 27, 2020

Bell Street 3 LP  
901 N. Broadway St.  
Knoxville, Tennessee 37917

Ladies and Gentlemen:

Knoxville’s Community Development Corporation ("KCDC") has been informed that Bell Street 3 LP, a Tennessee limited partnership in which an affiliate of KCDC is the general partner (the "Applicant"), is considering the acquisition, construction and equipping of an approximate 172-unit housing facility for low and moderate-income citizens to be on certain property located near the intersection of Harriet Tubman Street and Martin Luther King Jr. Avenue, which property is a portion of tax parcel number 095GA013 with an address currently designated as 1205 Old Vine Avenue in Knoxville, Tennessee. The above-described acquisition, construction and equipping with regard to such facility constitutes a "project" within the meaning of T.C.A. § 13-20-101.

After investigation of the nature of the proposed project, KCDC has determined that the financing of the project will improve the quality and availability of housing in the City of Knoxville, Tennessee (the "City"), and will contribute to the general welfare of the citizens of the City. Therefore, it is the belief of KCDC that in assisting the financing of the project, KCDC will be acting in furtherance of the public purposes for which it was created.

Accordingly, in order to assist the Applicant in the financing of the project and in order to carry out the purposes for which KCDC was created, KCDC hereby makes the following proposals:

1. KCDC will issue, and sell to a purchaser to be designated by the Applicant prior to issuance, revenue bonds (the "Bonds") in the principal amount not to exceed $25,000,000 to provide financing for the project. The Bonds shall be limited obligations of KCDC payable solely out of the revenues and receipts derived from the project including loan payments from the Applicant obtained in connection with the financing of the project. In no event shall the Bonds be general obligations of KCDC, its directors, or the City.

2. The terms of the Bonds (maturity schedule, interest rate, denominations, redemption provisions, etc.) will be determined by agreement among KCDC and the Applicant,
subject to compliance with all applicable state and federal requirements, and all bylaws and policies of KCDC.

3. Prior to delivery of the Bonds, KCDC and the Applicant will enter into a loan agreement pursuant to which the proceeds from the sale of the Bonds will be used for the purposes hereinabove indicated and the Applicant will be obligated to make payments sufficient to cover all debt service requirements on the Bonds.

4. KCDC will enter into a trust indenture with a trustee to be nominated by the Applicant and subject to the approval of KCDC and/or a purchase contract with the purchaser of the Bonds. Such indenture and/or purchase contract will assign the loan agreement and all collateral therefor and all revenues received thereunder for the benefit of the bondholders. The terms and provisions of such indenture and/or purchase contract shall be agreed upon by KCDC, the Applicant and the purchaser of the Bonds.

5. KCDC hereby authorizes the Applicant to commence the acquisition, construction and equipping of the project as soon as practicable so that the inhabitants of the State of Tennessee might benefit from the project without delay. The Applicant may advance any interim funds required and be reimbursed from the proceeds of the Bonds, to the extent allowed by applicable law.

6. Upon the issuance, sale and delivery of the Bonds, the provisions of this proposal and the agreement resulting from its acceptance by the Applicant shall have no further effect and, in the event of any inconsistencies between the terms of this proposal and the terms of any loan agreement and/or indenture or purchase contract the provisions of such latter documents shall control.

7. KCDC agrees to cooperate with the Applicant in executing, along with the Applicant, a Multi-Family Tax-Exempt Bond Authority Application (the "Application") to be prepared by the Applicant and submitted to the Tennessee Housing Development Agency ("THDA") with respect to the Project. The Applicant acknowledges that all information provided in the Application, other than the name and address of KCDC, is to be provided by the Applicant and not by KCDC and that KCDC has no responsibility as to the accuracy of such information other than as to the name and address of KCDC. The Applicant shall be responsible for any claims, liabilities, costs or expenses of KCDC that may arise as a result of the inaccuracy of any information contained in the Application (other than the name and address of KCDC) or the submission of the Application.
If the foregoing proposal is satisfactory to you, you may indicate by signing the following acceptance and returning a copy to KCDC. This proposal and your acceptance will then constitute an agreement in principal with respect to the matters herein contained.

Yours very truly,

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

By: ____________________________
Title: __________________________

ACCEPTANCE OF PROPOSAL
OF
KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
BY
BELL STREET 3 LP

The terms and conditions contained in the foregoing proposal by Knoxville's Community Development Corporation are hereby accepted by Bell Street 3 LP this ____ day of ____________, 2020.

BELL STREET 3 LP
By: Bell Street 3 Corporation,
its general partner

By: ____________________________
Title: __________________________

27852266.1
**BOARD ACTION FORM**

<table>
<thead>
<tr>
<th>MEETING DATE</th>
<th>February 27, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGENDA ITEM DESCRIPTION</td>
<td>Resolution authorizing certain transactions related to Moss Grove Flats.</td>
</tr>
<tr>
<td>SUBMITTED BY</td>
<td>Name &amp; Title: Brad Peters, VP Redevelopment/Legal Services</td>
</tr>
<tr>
<td></td>
<td>Department: Redevelopment</td>
</tr>
<tr>
<td>MEETING TYPE</td>
<td>☒ Regular ☐ Special</td>
</tr>
<tr>
<td>AGENDA CLASSIFICATION</td>
<td>☒ Resolution ☐ Regular</td>
</tr>
<tr>
<td>BUDGET / FINANCIAL IMPACT</td>
<td>Budgeted: N/A  Expenditure: N/A</td>
</tr>
<tr>
<td></td>
<td>Source of Funds: N/A</td>
</tr>
<tr>
<td>APPROVAL/REVIEWS</td>
<td>☒ Department Head /Vice President  ☒ Budget/Finance</td>
</tr>
<tr>
<td></td>
<td>☒ Legal Counsel  Name of Reviewer: Brad Peters</td>
</tr>
<tr>
<td></td>
<td>☒ Executive Director/CEO  ☐ Other - Name &amp; Title:</td>
</tr>
<tr>
<td>STAFF RECOMMENDED ACTIONS</td>
<td>Approve: ☒  Deny: ☐  Defer: ☐</td>
</tr>
</tbody>
</table>

**BACKGROUND**

1. What’s the objective of the requested action? To approve the entering of closing documents for the construction of 192 units of affordable housing.

2. Why is the action needed now? Closing of the transaction is anticipated to take place prior to the next meeting cycle.

3. Who are the parties involved and what are their roles (if appropriate)? Moss Grove GP corporation is an instrumentality of KCDC. Elmington Capital will be the party responsible for construction and management of the units. Truist is the construction lender and equity investor.

4. What are the long term and short term exposures to KCDC? Elmington Capital will insure the project and will broadly indemnify KCDC and Moss Grove GP Corporation.

**HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)**

The Board of the Corporation met and generally approved participation in this transaction on October 31, 2019.

**ATTACHMENTS**

Resolution
RESOLUTION NO. 2020-___

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF
KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
APPROVING CERTAIN TRANSACTIONS RELATED TO MOSS
GROVE

WHEREAS, Knoxville’s Community Development Corporation ("KCDC") is the housing, redevelopment and urban renewal authority of the City of Knoxville, Tennessee (the "Municipality") and is duly incorporated pursuant to Sections 13-20-101 et seq., Tennessee Code Annotated; and

WHEREAS, pursuant to Tenn. Code Ann. § 13-20-104(b), housing and redevelopment authorities in Tennessee are authorized to cause the formation of corporations; and

WHEREAS, pursuant to Tenn. Code Ann. § 13-20-104(a)(6), housing and redevelopment authorities in Tennessee are authorized to own, operate, assist, or otherwise participate in (directly or through a partnership, a limited liability company, or other entity in which the authority, or an entity affiliated with an authority, is a general partner, managing member, or otherwise participates in the activities of the entity) one (1) or more mixed-finance projects (including projects financially assisted by low-income housing tax credits); and

WHEREAS, Elmington Capital Group, LLC ("Elmington") has requested KCDC's assistance in the development of affordable housing on real property located at 265 and 266 Moss Grove Boulevard, Knoxville, Tennessee (the "Property"); and

WHEREAS, KCDC and Elmington entered into that certain Development Agreement for Moss Grove Project dated as of December 9, 2019 (the "Development Agreement") memorializing the terms pursuant to which KCDC would assist in the development of the Property (the "Project"); and

WHEREAS, for the purpose of performing its duties pursuant to the Development Agreement, KCDC formed a corporation known as Moss Grove GP Corporation (the "Corporation"); and

WHEREAS, for the purpose of facilitating the financing and development of the Project, the Corporation has formed a limited partnership known as ECG Moss Grove, LP (the "Partnership"); and

WHEREAS, The Health, Educational and Housing Facility Board of the County of Knox (the "Issuer") has assisted the Partnership in the financing of the development of the Property by
issuing its Multifamily Tax-Exempt Mortgage-backed Bonds (M-TEMS) (Moss Grove Flats Apartments Project) Series 2019A(FN) in an aggregate principal amount of $21,350,000 (the “Series A Bonds”) and its Multifamily Housing Revenue Bond (Moss Grove Flats Apartments Project) Series 2019B in an aggregate principal amount of $3,650,000 (the “Series B Bonds”; the Series A Bonds and the Series B Bonds may hereinafter be collectively referred to as the “Bonds”); and

WHEREAS, the Corporation, on its own behalf and, as the sole general partner of the Partnership, on behalf of the Partnership, desires to enter into certain financing arrangements to facilitate the development of the Project, including:

(i) Entering into an Amended and Restated Agreement of Limited Partnership for the Partnership (the “Partnership Agreement”) among the Corporation, TCC Moss Grove, LLC, a Georgia limited liability company (the “Limited Partner”), CDC Special Limited Partner, L.L.C., a Georgia limited liability company (the “Special Limited Partner”) and ECG Moss Grove SLP, LLC (the “Class B Partner”);

(ii) obtaining a construction loan from Truist Bank, a North Carolina state bank (the “Bank”) to the Partnership in an amount not exceeding $35,300,000.00 (the “Bank Loan”), the proceeds of which are to be used for the benefit of the Project;

(iii) obtaining a loan of the proceeds of the Bonds to finance the construction of the Project (the “Bond Loan”);

(iv) obtaining a loan from the Class B Partner to the Partnership in an amount not to exceed $950,000, the proceeds of which will be used to construct the Project; and

(v) obtaining a loan from the Bank to the Partnership in an amount not exceeding $23,870,000.00 (the “Permanent Loan”), the proceeds of which are to be used to refinance the Bank Loan.

The foregoing transactions may be hereinafter collectively referred to as the “Transactions”.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION:

RESOLVED, that the Corporation, on its own behalf and, as the sole general partner of the Partnership, on behalf of the Partnership, is authorized to enter into the Transactions and any of the other actions authorized by the foregoing resolutions; and, further,
RESOLVED, that it is in the best interest of KCDC to authorize the Corporation on its own behalf and, as the sole general partner of the Partnership, on behalf of the Partnership to enter into the Transactions; and, further,

RESOLVED, that any and all other actions heretofore taken on behalf of the Corporation on its own behalf or, as the sole general partner of the Partnership, on behalf of the Partnership by its officers to execute and deliver any of the agreements, documents or instruments authorized by the foregoing resolutions, or to take any of the other actions authorized by the foregoing resolutions, and all acts of the officers of the Corporation that are in conformity with the purposes and intent of these resolutions, are hereby approved, ratified and confirmed in all respects; and, further,

RESOLVED, that any and all other actions heretofore taken on behalf of KCDC by the Authorized Officers to execute and deliver any of the agreements, documents or instruments authorized by the foregoing resolutions, or to take any of the other actions authorized by the foregoing resolutions, and all acts of the Authorized Officers that are in conformity with the purposes and intent of these resolutions, are hereby approved, ratified and confirmed in all respects.

Adopted this 27th day of February, 2020.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

By: __________________________
   Secretary
# BOARD ACTION FORM

<table>
<thead>
<tr>
<th>MEETING DATE</th>
<th>February 27, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGENDA ITEM DESCRIPTION</td>
<td>Resolution to approve the extension of the Head Start Facility Loan with SunTrust Bank.</td>
</tr>
<tr>
<td>SUBMITTED BY</td>
<td>Name &amp; Title: Tracee Pross, Chief Financial Officer</td>
</tr>
<tr>
<td></td>
<td>Department: Executive Management</td>
</tr>
<tr>
<td>MEETING TYPE</td>
<td>☑ Regular ☐ Special</td>
</tr>
<tr>
<td>AGENDA CLASSIFICATION</td>
<td>☑ Resolution ☐ Regular</td>
</tr>
<tr>
<td>BUDGET / FINANCIAL IMPACT</td>
<td>Budgeted: $0  Expenditure: $0</td>
</tr>
<tr>
<td></td>
<td>Source of Funds: NA</td>
</tr>
<tr>
<td>APPROVAL/REVIEWS</td>
<td>☑ Department Head/Vice President ☐ Budget/Finance</td>
</tr>
<tr>
<td></td>
<td>☑ Legal Counsel Name of Reviewer: Mark Mammantov</td>
</tr>
<tr>
<td></td>
<td>☐ Executive Director/CEO ☐ Other - Name &amp; Title:</td>
</tr>
<tr>
<td>STAFF RECOMMENDED ACTIONS</td>
<td>Approve: ☑ Deny: ☐ Defer: ☐</td>
</tr>
</tbody>
</table>

## BACKGROUND

1. **What's the objective of the requested action?**
   
   To extend the existing Head Start Facility Loan for an additional period of not more than nine (9) years to final maturity.

2. **Why is the action needed now?**
   
   The existing loan will mature March 15, 2020 and this action is needed now to extend it to the remainder of the term which is September 15, 2028.

3. **Who are the parties involved and what are their roles (if appropriate)?**
   
   KCDC and SunTrust Bank

4. **What are the long term and short term exposures?**
   
   If the current market rent values, currently unknown, are below the 2015 value ($259,450) (unlikely), the fixed interest rate of 2.88% could increase up to a limit of .5% in excess of the current rate.

## HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)

<table>
<thead>
<tr>
<th></th>
<th>This loan agreement was entered into between KCDC and SunTrust for the Head Start Facility in the original amount of $2,470,155 dated April 15, 2004. The current maturity date is March 15, 2020. The current balance is $1,073,197 as of February 15, 2020.</th>
</tr>
</thead>
</table>

## ATTACHMENTS

| | Resolution |
RESOLUTION NO. 2020---

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION RELATING TO EXTENSION OF LOAN RELATING TO THE HEAD START FACILITY

WHEREAS, Knoxville's Community Development Corporation ("KCDC") is the housing, redevelopment and urban renewal authority of the City of Knoxville, Tennessee (the "Municipality") and is duly incorporated pursuant to Sections 13-20-101 et seq., Tennessee Code Annotated; and

WHEREAS, by Sections 13-20-101 et seq., Tennessee Code Annotated, housing and redevelopment authorities in Tennessee are authorized through their respective governing bodies to finance and/or refinance housing and redevelopment projects; and

WHEREAS, KCDC owns a parcel of real property located at 1008 Breda Drive, Knoxville, Tennessee (the "Property"); and

WHEREAS, KCDC caused a building to be constructed on the Property that is presently being used primary for early childhood education through the Head Start program and thereby serves the residents of KCDC’s housing projects (the "Project"); and

WHEREAS, to reimburse KCDC for the costs of such construction, the Board of Commissioners (the "Board") of KCDC borrowed $2,470,155 (the "Loan"), pursuant to a Loan Agreement between KCDC and SunTrust Bank (the "Lender"), dated as of April 15, 2004 (the "Original Loan Agreement"), and a Term Promissory Note, dated as of April 15, 2004 (the "Original Note"); and

WHEREAS, KCDC and the Board previously extended the term of the Loan on March 29, 2010 and on May 29, 2015, adjusted the interest rate thereon and amended the Original Loan Agreement and issued replacement promissory notes in place of the Original Note; and

WHEREAS, the Board and the Lender again desire to extend the term of the Loan, which may result in an adjustment to the interest rate thereon; and

WHEREAS, the Board desires to authorize the officers of KCDC to enter into such documentation as is necessary to amend the Loan for such purposes.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Knoxville's Community Development Corporation, as follows:
RESOLVED, that it is in the best interest of KCDC to refinance the outstanding balance of the Loan by extending the term thereof for an additional period of not more than nine (9) years and by adjusting the interest rate to be a fixed interest rate for such extended period that does not exceed fifty basis points (.5%) in excess of the current interest rate on the Loan; and, further

RESOLVED, that the Chairman or the Vice Chairman of KCDC is hereby authorized and directed to execute, and, where requested, the Secretary or Assistant Secretary is authorized to attest, and/or any other officer of KCDC, acting alone or in combination with one another (individually and collectively the "Authorized Officers"), is (are) hereby authorized and empowered to (i) execute, in the name of and on behalf of KCDC, and to deliver to the Lender, any and all instruments, documents and agreements deemed necessary or desirable by the Lender in order to evidence the extension of the Loan properly in accordance with the requirements of the Lender, including without limitation, notes, modification agreements, deeds of trust, security agreements, certificates, affidavits, and any other instruments of any kind or nature whatsoever, all in the form required by the Lender and approved by the Authorized Officers executing same, the execution of same by such Authorized Officers to constitute conclusive evidence of the approval of same, and (ii) take from time to time any other actions deemed necessary or desirable by the Authorized Officers to effect the transactions described above and to evidence the Loan, as amended, properly in accordance with the requirements of the Lender; and, further

RESOLVED, that any and all other actions heretofore taken on behalf of KCDC by the Authorized Officers to execute and deliver any of the agreements, documents or instruments authorized by the foregoing resolutions, or to take any of the other actions authorized by the foregoing resolutions, and all acts of the Authorized Officers that are in conformity with the purposes and intent of these resolutions, are hereby approved, ratified and confirmed in all respects; and, further

RESOLVED, that the Chairman is authorized to designate the Note as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Approved this ____ day of February, 2020.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

By: ______________________________

Secretary