Date:       June 18, 2020
To:         Board of Commissioners
From:       Ben Bentley, Secretary
Subject:    AGENDA
            Board Meeting of the Board of Commissioners
            Thursday, June 25 2020, 5 p.m.

PURSUANT TO THE GOVERNOR'S EXECUTIVE ORDER NO. 34 TO PROTECT THE HEALTH AND
SAFETY OF CITIZENS DURING THE COVID–19 PANDEMIC, THE BOARD OF COMMISSIONERS OF
KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION WILL MEET VIA TELECONFERENCE

1.    Call to Order.

2.    Approval is requested to execute the minutes for the annual meeting held on May 28, 2020.
      (Item 2 Attachment)

3.    Approval is requested to execute the minutes of the monthly meeting held on May 28,
      2020.  (Item 3 Attachment)

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

5.    Reports of officers and special presentations.

NEW BUSINESS

REDEVELOPMENT/LEGAL MATTERS (Brad Peters)

6.    Resolution providing for the execution of closing documents related to Bell Street LP (105
      units).  (Item 6 Attachment)

7.    Approval is requested to modify the existing parking lease with Lincoln Memorial
      University's Duncan School of Law, in substantially the same form as attached, to extend the
      term and adjust the fee.  (Item 7 Attachment)

8.    Resolution ratifying the amendment to the Charter of Bell Street Corporation.  (Item 8
      Attachment)

HOUSING (Sean Gilbert)

9.    Approval is requested to award Contract C20017 for Cagle Terrace renovations to Gibraltar
      Construction Co., Inc.  (Item 9 Attachment)

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.
FINANCE AND ADMINISTRATION (Tracee Pross)

10. Resolution approving Revision No. 1 of the Operating Budget for the Multi-Family Housing Program for the fiscal year 2020 (July 1, 2019 – June 30, 2020). (Item 10 Attachment)

11. Resolution approving the treasury management services contract with Pinnacle Bank. (Item 11 Attachment)

Unfinished Business
Public Forum
Adjournment

The next meeting of the KCDC Board of Commissioners will be Thursday, July 30, 2020 @ 5 p.m.
Pursuant to the Governor's Executive Order No. 34 to protect the health and safety of citizens during the COVID-19 pandemic, the Board of Commissioners of Knoxville's Community Development Corporation met via teleconference on June 25, 2020.

Present: Vice Chair Kim Henry  
Treasurer Robyn McAdoo  
Commissioner Bruce Anderson  
Commissioner Kanika White

Absent: Chair Robert Whetsel  
Commissioner John Winemiller  
Commissioner Sylvia Cook

The meeting was called to order and a quorum declared present at 5:05 p.m.

Approval to execute the meeting minutes of May 28, 2020. Commissioner Anderson moved to approve. Commissioner McAdoo seconded the motion. All other Commissioners present voted "Aye."

The Chair called the meeting to order and declared a quorum present at 5:08 p.m.

NEW BUSINESS

REDEVELOPMENT/LEGAL MATTERS (Brad Peters)
Resolution providing for the execution of closing documents related to Bell Street LP (105 units). Commissioner McAdoo moved to approve. Commissioner Anderson seconded the motion. All other Commissioners present voted "Aye." Resolution No. 2020–20 is attached.

Approval to modify the existing parking lease with Lincoln Memorial University's Duncan School of Law, in substantially the same form as attached, to extend the term and adjust the fee. Commissioner McAdoo moved to approve. Commissioner White seconded the motion. All other Commissioners present voted "Aye."

Resolution ratifying the amendment to the Charter of Bell Street Corporation. Commissioner McAdoo moved to approve. Commissioner White seconded the motion. All other Commissioners present voted "Aye." Resolution No. 2020–21 is attached.
HOUSING (Sean Gilbert)
Approval is requested to award Contract C20017 for Cagle Terrace renovations to Gibraltar Construction Co., Inc. Commissioner McAdoo moved to approve. Commissioner Anderson seconded the motion. All other Commissioners present voted "Aye."

FINANCE AND ADMINISTRATION (Tracee Pross)
Resolution approving Revision No. 1 of the Operating Budget for the Multi-Family Housing Program for the fiscal year 2020 (July 1, 2019 – June 30, 2020). Commissioner Anderson moved to approve. Commissioner White seconded the motion. All other Commissioners present voted "Aye." Resolution No. 2020-22 is attached.

Resolution approving the treasury management services contract with Pinnacle Bank. Commissioner McAdoo moved to approve. Commissioner Anderson seconded the motion. All other Commissioners present voted "Aye." Resolution No. 2020-23 is attached.

PUBLIC FORUM
None

UNFINISHED BUSINESS
None

ADJOURNMENT
With no further business to come before the Board, the meeting adjourned by consent at 5:32 p.m.

Robert Whetsel, Chair

Approved: July 30, 2020

ATTEST:

Benjamin M. Bentley, Secretary

Approved: July 30, 2020
RESOLUTION NO. 2020–20

RESOLUTION OF THE BOARD OF COMMISSIONERS OF KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION REGARDING THE DEVELOPMENT OF AND THE UTILIZATION OF LOW-INCOME HOUSING TAX CREDITS RELATED TO BELL STREET FLATS AND THE EXECUTION OF DOCUMENTS RELATING THERETO

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, to further the development of a low– and moderate–income housing development known as Bell Street Flats in the City (the "Property"), KCDC (i) formed Bell Street Corporation (the "Corporation"), a Tennessee nonprofit corporation, pursuant to Sections 13–20–101 et seq., Tennessee Code Annotated, as an instrumentality of KCDC and (ii) formed, with the Corporation, Bell Street LP, a Tennessee limited partnership (the "Partnership"), of which the Corporation is the general partner and KCDC is the limited partner; and

WHEREAS, the Partnership intends to obtain a loan from Pinnacle Bank (the "Bank") in an amount not exceeding $6,925,000 (the "Term Loan") on terms and conditions substantially similar to those set forth in that certain draft Term Loan Agreement provided by the Bank and available for review at this meeting, together with the documents, agreements, and security instruments referred to therein and/or to be executed in connection therewith, with such modifications agreed to by the parties thereto (the "Term Loan Documents"); and

WHEREAS, the Partnership intends to obtain a bridge loan from the Bank in an amount not exceeding $4,209,200 (the "Market Bridge Loan") on terms and conditions substantially similar to those set forth in that certain draft Bridge Loan Agreement provided by the Bank and available for review at this meeting, together with all documents, agreements, and security instruments referred to therein and/or required to be executed in connection therewith, with such modifications agreed to by the parties thereto (the "Bridge Loan Documents"); and

WHEREAS, the Partnership intends to obtain a bridge loan from the Bank in an amount not exceeding $5,865,800 (the "CITC Bridge Loan"; the Term Loan, the Market Bridge Loan and the CITC Bridge Loan are sometimes hereinafter collectively referred to as the "Bank Loans") on terms and conditions substantially similar to those set forth in that certain draft CITC Bridge Loan Agreement provided by the Bank and available for review at this meeting, together with all documents, agreements, and security instruments referred to therein and/or required to be
executed in connection therewith, with such modifications agreed to by the parties thereto (the "CITC Bridge Loan Documents"; the Term Loan Documents, the Market Bridge Loan Documents and the CITC Bridge Loan Documents are sometimes hereinafter collectively referred to as the "Bank Loan Documents"); and

WHEREAS, the Bank would not make the Bank Loans without the guaranty of KCDC and the execution by KCDC of Guaranty and Suretyship Agreements and any other Bank Loan Documents to which KCDC is to be a party (the "KCDC Bank Loan Documents"); and

WHEREAS, in order to move forward with the development of the Property and to utilize low-income housing tax credits available pursuant to Section 42 of the Internal Revenue Code of 1986, as amended, for said development, KCDC desires to:

(i) transfer its limited partnership interest and to otherwise authorize the transactions contemplated pursuant to an Amended and Restated Limited Partnership Agreement for the Partnership (the "Partnership Agreement") among the Corporation, Pinnacle Bank, a Tennessee banking corporation (the "Limited Partner"), and Pinnacle Community Development, SLP, Inc., a Tennessee corporation (the "Special Limited Partner");

(ii) authorize, as part of the transactions contemplated by the Partnership Agreement, the execution and delivery of that certain Guaranty Agreement pursuant to which KCDC will guaranty certain obligations of the Corporation to the Partnership and the Limited Partner (the "Partnership Guaranty");

(iii) authorize the transactions contemplated pursuant to (a) a Ground Lease from KCDC to the Partnership (the "Ground Lease"), (b) a Ground Sublease between from the Partnership to KCDC (the "Ground Sublease") and (c) a Lease from KCDC to the Partnership providing for certain payments in lieu of taxes (the "PILOT Lease" and together with the Ground Lease and the Ground Sublease, the "Leases");

(iv) authorize the release of the HUD Declaration of Trust, which currently encumbers the Property (the "Release"); and

(v) authorize the execution and delivery of the KCDC Bank Loan Documents.

Copies of the Partnership Agreement, the Partnership Guaranty, the Leases, the documents related to the KCDC Loans and the Bank Loan, including the KCDC Bank Loan Documents and the Release shall be filed with the records of KCDC; and
WHEREAS, the Board of Commissioners of KCDC desires to authorize the officers of KCDC to execute such documents as they, individually or collectively, determine are necessary, desirable or appropriate to carry out the transactions contemplated in the Partnership Agreement and the agreements related thereto, the Partnership Guaranty, in the Leases, in the documents related to the Bank Loans, including the KCDC Bank Loan Documents, and the Release.

NOW, THEREFORE, BE, AND IT IS HEREBY, RESOLVED, that (i) the Chairman or the Vice Chairman of KCDC (each, an "Authorized Officer") is hereby authorized and directed to execute (to the extent that KCDC is a party thereto), and, if requested, the Secretary or Assistant Secretary is authorized to attest, and any such officer of KCDC is authorized to deliver to the other parties thereto the following documents: (a) the Partnership Agreement and the agreements related thereto (including, without limitation, the Partnership Guaranty), (b) the Leases, (c) any and all instruments, documents and agreements deemed necessary or desirable by the Authorized Officer of KCDC to evidence and secure the Bank Loans (including, without limitation, the KCDC Bank Loan Documents), (d) the Release, and (e) any and all other instruments, documents and agreements deemed necessary or desirable by an Authorized Officer to carry out the transactions described herein; all in the form approved by the Authorized Officer executing same, the execution of same by such Authorized Officer to constitute conclusive evidence of the approval of same, and (ii) such officers, together with all other officers and employees of KCDC, are hereby authorized to take all such further action as they 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 officers and employees to effectuate and comply with the terms of such agreements as are executed on behalf of KCDC pursuant to the authorization contained herein; and, further

RESOLVED, that any and all other actions heretofore taken on behalf of KCDC by the officers of KCDC 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 KCDC that are in conformity with the purposes and intent of these resolutions, are hereby approved, ratified and confirmed in all respects.

Approved at a meeting of the Board of Commissioners held this 25th day of June, 2020.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

By: [Signature]
Secretary

KCDC Minutes prepared by: Joy L Patrick, Executive Assistant

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RESOLUTION NO. 2020–21

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION RATIFYING THE AMENDMENT OF THE CHARTER OF BELL STREET CORPORATION

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 §§ 13–20–101 et seq., Tennessee Code Annotated (the "Housing Authorities Law"); and

WHEREAS, by 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, KCDC previously formed a corporation known as Bell Street Corporation (the "Corporation") in accordance with the Housing Authorities Law and §§ 48–51–101 et seq., Tennessee Code Annotated (the "Act"); and

WHEREAS, the Act confers upon the Board of Directors of the Corporation the authority to amend or repeal the Corporation's charter and bylaws; and

WHEREAS, the Corporation's charter requires that any amendment of the charter be approved by KCDC; and

WHEREAS, the Board of Commissioners of KCDC desires to approve the amendment of the Charter of the Corporation as set forth in the Articles of Amendment attached hereto as Exhibit A (the "Charter Amendment").

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

RESOLVED, that KCDC hereby approves the Charter Amendment and authorizes the Corporation to execute and cause to be filed and recorded the Charter Amendment; and, further
RESOLVED, that the Charter Amendment shall be in substantially the form submitted, which is hereby approved, with such completions, omissions, insertions and changes as may be approved by the Corporation's officers executing it, their execution to constitute conclusive evidence of their approval of any such completions, omissions, insertions and changes; and, further,

RESOLVED, that it is in the best interest of KCDC for the Corporation to enter into, file and/or record the Charter Amendment; and, further,

RESOLVED, that any and all other actions heretofore taken on behalf of KCDC by the Chairman, Vice Chairman and/or Secretary (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.

Approved at a meeting of the Board of Commissioners held this 25th day of June, 2020.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

By: [Signature] Secretary
EXHIBIT A

ARTICLES OF AMENDMENT TO THE CHARTER
OF
BELL STREET CORPORATION

Pursuant to the provisions of Section 48–60–101 of the Tennessee Nonprofit Corporation Act, the undersigned corporation adopts the following articles of amendment to its charter:

1. The name of the corporation is Bell Street Corporation.

2. The Tennessee Secretary of State control number for said corporation is 001007918.

3. Article V, Section (c) of the charter of the corporation is hereby amended by deleting the section and replacing it with the following:
   
   (c) To form a limited partnership for the purpose of facilitating the acquisition of the Bell Street Property and the financing, design, construction and/or operations of low and moderate income housing on the Bell Street Property;

4. Article V, Section (d) of the charter of the corporation is hereby amended by deleting the section and replacing it with the following:
   
   (d) To acquire the Bell Street Property and finance, design, construct and/or operate low and moderate income housing on the Bell Street Property;

5. Article XII, Section (a) of the charter of the corporation is hereby amended by deleting the section and replacing it with the following:
   
   (a) The corporation is a not-for-profit, non-stock corporation and no part of the income, profits or assets of the corporation shall ever be distributed to, on inure to the benefit of, any member, director or officer, but shall be used only for charitable or low and moderate income housing purposes as provided herein.

6. The amendment was duly adopted on June 25, 2020 by the Directors of the corporation.

7. These Articles of Amendment shall become effective upon the filing by the Tennessee Secretary of State.

APPROVED: June 25, 2020

BELL STREET CORPORATION

By:  
Benjamin M. Bentley, President
RESOLUTION NO. 2020-22

RESOLUTION APPROVING OPERATING BUDGET REVISION (NUMBER 1) FOR THE MULTI-FAMILY HOUSING PROGRAM FOR THE FISCAL YEAR JULY 1, 2019 THROUGH JUNE 30, 2020

WHEREAS the Operating Budget for the Multi-Family Housing Program is not subject to annual approval by the Department of Housing and Urban Development; and

WHEREAS the annual budget for the above referenced project, program, or department is directly dependent upon existing contractual relationships or upon contractual relationships that may yet be negotiated during any given fiscal year; and

WHEREAS the above referenced budget revision (number 1) and budget have been prepared based upon anticipated revenues from existing contractual relationships between Knoxville's Community Development Corporation and other second parties; and

WHEREAS in the opinion of the Board of Commissioners, the financial plan for each program is consistent with KCDC's overall operating strategy and is fiscally responsible.

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

THAT the Operating Budget Revision for the Multi-Family Program is hereby approved and adopted for the fiscal year July 1, 2019 through June 30, 2020.

Approved this 25th day of June, 2020.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

By: [Signature]
Secretary