

**ECONOMIC DEVELOPMENT GROWTH ENGINE  
INDUSTRIAL DEVELOPMENT BOARD OF  
THE CITY OF MEMPHIS AND COUNTY OF SHELBY, TENNESSEE**

**ECONOMIC IMPACT PLAN  
FOR  
LEGACY AT COUNTRYWOOD**

**I. Introduction**

CC Club Holdings, LLC, a Delaware limited liability company (“CC Holdings”), owns certain real property located in the city limits of the City of Memphis along Interstate 40 near its intersection with Highway 64, adjacent to the Colonial Country Club at 2736 Countrywood Parkway (the “Property”). CC Holdings has requested assistance from the Economic Development Growth Engine Industrial Development Board of the City of Memphis and County of Shelby, Tennessee, a public nonprofit corporation organized under Tenn. Code Ann. §§ 7-53-101, *et. seq.* (the “Board”), to improve the economic, aesthetics and quality of life, in connection with a project to be developed on the Property, as more particularly described below.

What follows is an economic impact plan for the development of the Property (the “Plan”). First, the Plan explains the statutory authority for financial assistance from the Board (Section II). Second, the Plan describes the project, the area subject to this Plan, and the requested financial assistance from the Board in the form of tax increment financing (Sections III, IV, and V). Third, the Plan discusses the expected benefits to the City of Memphis and Shelby County from the redevelopment project (Section VI). Finally, the Plan explains the mechanics of the requested tax increment financing and the public approval process for the Plan (Sections VII and VIII).

**II. Authority for Economic Impact Plan**

The Board is an industrial development corporation under Tenn. Code Ann. § 7-53-101 *et. seq.* (an “IDB”). An IDB is authorized under Tenn. Code Ann. § 7-53-312 to prepare and submit to cities and counties an economic impact plan with respect to an area that includes a project within the meaning of Tenn. Code Ann. § 7-53-101 and such other properties that the IDB determines will be directly improved or benefited due to the undertaking of such project. Tennessee Code Annotated § 7-53-312 also authorizes cities and counties to apply and pledge new incremental tax revenues that arise from the area subject to the economic impact plan, to the IDB to promote economic development, to pay the cost of projects, or to pay debt service on bonds, notes, or other obligations issued by the IDB to pay the costs of projects.

**III. The Project**

CC Holdings currently owns the Property, which consists of approximately 175 acres and is currently undeveloped. CC Holdings or one or more affiliates thereof (“Developer”) intends to develop the Property pursuant to a planned development that was approved on the site by the Memphis City Council on October 23, 2018 (and amended on May 12, 2022), for a new mixed-use community of hotel, retail, restaurant, office, multifamily residential, senior living, and single-

family residential uses (the “Development”). In total, the Development will include an approximately 130-room hotel, approximately 40,000 square feet of retail and restaurant space, 305 senior living units, 300 multifamily units, and a satisfactory number of parking spaces, as well as a lake and significant parks and open spaces. As discussed below, the Development will include a certain Tank System, which will constitute a “pollution control facility” within the meaning of Tenn. Code Ann. § 7-53-101(14). The Development will also include approximately 541 single-family residential lots that are not part of the Project (defined below). The Tank System and the Development described above, excluding the single-family residential lots, are collectively referred to in this Plan as the “Project.” The Project is an eligible “project” within the meaning of Tenn. Code Ann. § 7-53-101(15).

The Development, however, is not feasible without significant investment in new infrastructure in the area, including construction of roads, sidewalks and pedestrian walkways, traffic signals, lighting, water lines, electrical line, gas lines, sewer lines, sewer tanks, sewer pumps, ponds, parks, and parking areas. In particular, there are two crucial infrastructure improvements necessary for the Development.

First, the Property is located within the Fletcher Creek Basin. In 2017 the City of Memphis (the “City”) adopted a new policy for service that prohibits new sewer extensions outside of the City limits and allows new service within the Fletcher Creek Basis only if a certain sewage tank storage system is installed. This tank storage system stores sanitary sewage waste during the day and then discharges it during off-peak hours (between 10:00 p.m. and 5:00 a.m.). The City is requiring this sewage tank storage system as a condition to the planned development approval for the Development (the “Tank System”). The cost to construct the Tank System for the Development will be approximately \$9.3 million.

Second, the Property needs a new commercial road in order to allow for the access and circulation required for commercial development. The Development will include a new commercial road that would connect the Property to Highway 64 and provide for the needed access and circulation with I-40. The cost to construct this new commercial road will be approximately \$6 million. Tax increment financing will not finance any other roads.

In order to make the Project financially feasible, Developer has requested that the City and Shelby County, Tennessee (the “County”) approve, as part of this Plan, a plan for tax increment financing through the Board pursuant to Title 7, Chapter 53 of Tennessee Code Annotated to provide funds to pay a portion of the costs of the improvements described above and other Eligible Costs as defined in Article V below, that are needed to permit the construction and operation of the Project not to exceed \$23 million, as more particularly described in Section V below. The proceeds of the tax increment financing would be used to pay certain eligible costs, in accordance with Tenn. Code Ann. § 7-53-312 and Tenn. Code Ann. §§ 9-23-101 *et. seq.* (collectively, the “Tax Increment Act”), relating to the Project.

#### **IV. Boundaries of the Plan Area**

The area that will be subject to this Plan and to the Tax Increment Incentive (the “Plan Area”) is shown on the attached Exhibit A, and a list of the existing tax parcels that are included

in the Plan Area is attached hereto as Exhibit B. The Plan Area is hereby declared to be subject to this Plan, and the Project is hereby identified as the project that will be located within the Plan Area.

### **V. Financial Assistance to Project**

The Board will provide financial assistance to the Project by applying the proceeds of the tax increment financing described herein to pay for the following (the “Eligible Costs”): all costs that are (i) incurred in connection with the development of the Project and the Tax Increment Incentive and (ii) permitted under the Tax Increment Act, including, without limitation, the costs of designing, constructing, and installing the improvements listed on the attached Exhibit C (the “Planned Improvements”). A final description of Planned Improvements, together with the costs and expenses of such improvements and fees to be reimbursed with the Tax Increment Incentive, will be set forth in a development agreement to be executed by the Board and the Developer in connection with the Tax Increment Incentive and consistent with this Plan (the “Development Agreement”), as the same may be amended from time to time by the Board and the Developer so long as such amendments are consistent with this Plan. The Board, will pay for, reimburse Developer for, or repay the debt (principal and interest) or other financing of (as applicable) the Eligible Costs not to exceed \$23 million upon receipt of adequate documentation of such costs, as more particularly set forth in the Development Agreement. The Board is hereby authorized to issue and sell bonds, notes, or other obligations for purposes of paying the Eligible Costs, subject to the terms and conditions set forth in Section VII.b. below.

EDGE and Developer acknowledge the Planned Improvements include up to ten (10) sewage storage tanks as a part of the Tank System. Notwithstanding anything in this Section V to the contrary, before the Developer commences the development of any particular sewage storage tank, it shall provide written notice to EDGE and the City of its intent to commence the development of the sewage storage tank. The City shall have thirty (30) days to respond to the notice by either providing written notice to the Developer that the particular sewage storage tank is not necessary or by authorizing the development of the sewage storage tank. If the City fails to respond within the thirty-day period, then the approval of the tank construction shall be deemed approved by the City. If the City approves (or is deemed to have approved) construction at the tank, then the expenses associated with the construction shall be considered Eligible Costs. If the City rejects the Developer’s request, the City shall provide the sewage capacity equal to what would have been provided by the Developer’s requested sewage storage tank within six (6) months after delivery of the City’s notice. The approval of each sewage tank shall be a separate occurrence and shall not impact another sewage tank approval process except that the City and/or EDGE may provide a single notice regarding any further sewage tank construction if the City has undertaken action that would make the undeveloped sewage tanks unnecessary. Upon such notice, no sewage tank that has not begun construction will be allowed as an Eligible Cost.

Tenn. Code Ann. § 9-23-108 does not permit the application of incremental tax revenues pursuant to this Plan to pay certain costs relating to privately owned land without first receiving a written determination from the Comptroller of the State of Tennessee (the “State”) and the

Commissioner of Economic and Community Development of the State that the use of tax increment revenues for such purposes is in the best interest of the State. The Board will not apply any tax increment revenues to pay costs as to which a written determination is required without first obtaining such written determination.

## **VI. Expected Benefits to City and County**

Implementation of the Project will yield significant benefits to the City of Memphis and Shelby County. This mixed-use development would help stabilize two of the City's largest early suburban neighborhoods, Countrywood and Cordova, and would support the viability of Wolfchase Galleria, the only remaining regional mall in Memphis. The Project will also generate substantial tax revenues to the local governments, as discussed below.

The current ad valorem taxes generated in the Plan Area amount to only \$36,510 per year. The total Project investment is estimated at \$404 million. The total additional City and County property taxes to be generated by the Project during the term of the Tax Increment Incentive are estimated to exceed \$127 million. Of these additional property taxes, the City will receive approximately 47 million, and the County will receive approximately 58 million. Approximately \$23 million of the new property taxes generated in the Plan Area will be available to pay for Eligible Costs and administrative expenses of the Project, as more particularly described below. Following the expiration of the Tax Increment Incentive, the City and County will benefit from the entire increase in the property taxes.

In addition to the new property taxes discussed above, the Project will generate hotel/motel and retail sales taxes, new sales taxes on the construction materials for the Project, new construction jobs over the duration of the Project, and permanent new jobs following the opening of the hotel and retail businesses. This is in addition to an estimated short-term construction jobs associated with the new construction.

A further benefit to the City and County is that the investments in public infrastructure contemplated by this Plan and enabled by the Project will defray the cost of essential upgrades and replacement that would otherwise have been made by the public sector. The private sector investments and new taxes will be long lasting well beyond the twenty-year term of the Tax Increment Incentive.

## **VII. Distribution of Property Taxes and Tax Increment Financing**

a. Distribution of Taxes. Subject to the provisions of this Plan, property taxes imposed on real property and personal property located within the Plan Area shall be allocated and distributed as provided in this subsection. The taxes assessed by the City and County on such property within the Plan Area will be divided and distributed as follows in accordance with the Tax Increment Act:

i. First, an amount equal to (x) the portion of the property taxes payable with respect to the Plan Area for the year prior to the date of approval of this Plan (other than any

portion of such taxes that that constitutes Dedicated Taxes, as defined below) (the "Base Taxes") plus (y) that portion of property taxes levied upon property within the Plan Area for the payment of debt service of the City and County (the "Dedicated Taxes" and together with the Base Taxes, the "Total Base Tax Amount") will, pursuant to Tenn. Code Ann. § 9-23-103, be allocated to and, as collected, paid to the City and the County as all other taxes levied by the City and County on all other properties; provided, however, that in any year in which the taxes on the property within the Plan Area are less than the Total Base Tax Amount, only the taxes actually imposed will be allocated and paid to the City and County.

ii. Second, two percent (2%) of the excess Shelby County property taxes over the portion of the Base Taxes attributable to Shelby County property taxes shall be payable to Shelby County Trustee to administer distribution of the Shelby County Tax Increment Incentive.

iii. Third, seventy-five percent (75%) of the excess of property taxes over the Total Base Tax Amount less the two percent (2%) fee due to the Shelby County Trustee as set forth above (the "TIF Revenues") will be allocated and, as collected, paid into a separate fund of the Board created to hold such payments until the tax proceeds in the fund are to be applied to pay the Eligible Costs as described above.

iv. Fourth, five percent (5%) of the of the excess of property taxes over the Total Base Tax Amount less the two percent (2%) fee due to the Shelby County Trustee as set forth above shall be payable to the Board as a fee for administering the Tax Increment Incentive. Of the fees received by the Board, the Board shall distribute (i) one percent (1%) of the excess of City of Memphis property taxes over the portion of the Total Base Tax Amount attributable to City of Memphis property taxes to the City Treasurer to administer the Memphis Tax Increment Incentive and (ii) two percent (2%) of the excess of Shelby County property taxes over the portion of the Total Base Tax Amount attributable to Shelby County property taxes to the Shelby County Trustee to administer the Memphis Tax Increment Incentive.

v. Fifth, twenty percent (20%) of the excess of property taxes over the Total Base Tax Amount less than two percent (2%) fee due to the Shelby County Trustee as set forth above will be allocated to and, as collected, paid to the City and the County as all other taxes levied by the City and County on all other properties.

A table setting out the distribution process is set forth below:

<b>City of Memphis TIF Calculation</b>		<b>Shelby County TIF Calculation</b>	
	Current Year Taxes Paid to City		Current Year Taxes Paid to County
-	Base Year Taxes Paid to City	-	Base Years Taxes Paid to County
=	Excess of Current Over Base Year	=	Excess of Current Over Base Year
		-	2% of Excess County Trustee's Fee

-	Current Year Millage Dedicated to Debt Service to City
=	Incremental Tax Revenue
-	75% Share of Incremental Tax Revenue to Project
-	1% Share of Incremental Tax Revenue to City Treasurer
-	4% Share of Increment to EDGE
=	20% Share of Increment to the City of Memphis

-	Current Year Millage Dedicated to Debt Service to County
=	Incremental Tax Revenue
-	75% Share of Incremental Tax Revenue to Project
-	2% Share of Incremental Tax Revenue to County Trustee
-	3% Share of Increment to EDGE
=	20% Share of Incremental Tax Revenue to Shelby County

The Plan Area may hereafter be divided into separate tax parcels to allow for phased development. The Board is authorized to make all calculations of TIF Revenues on the basis of each parcel within in the Plan Area instead of on an aggregate basis as permitted by the Tax Increment Act. If the Board opts to have such calculations made based upon each parcel, the Board shall give notice to the City and the County that such methodology will be used prior to the first allocation date of any TIF Revenues. However, EDGE will only accept up to three groupings of parcels comprising the Plan Area. The first group of parcels will be designated no later than three (3) years from the approval of this Plan by the governing bodies of the City and County. The last group of parcels will be designated no later than eight (8) years from the year of this first designation of parcels.

The Board is also authorized to designate, by notice to the City and the County, that the allocation of TIF Revenues from any parcel or group of parcels in the Plan Area shall begin in any tax year within the next seven tax years in order to match TIF Revenues with the application of TIF Revenues for the purposes provided herein, subject to the time limitation on allocations provided below.

TIF Revenues relating to each tax year commencing January 1, 2022, shall be paid to the Board, to the extent received by the City or County, within ninety (90) days after the respective dates that taxes would be delinquent to the City and County for such tax year. TIF Revenues received by the City and County as delinquent taxes shall be paid to the Board by the City and the County within thirty (30) days of receipt.

b. TIF Obligations. In order to pay for Eligible Costs of the Project, the Board intends to use the incremental tax revenues that it would receive as a result of the adoption of the Plan to pay debt service on obligations incurred to finance such costs (or to reimburse Developer directly for Eligible Cost). This tax increment financing will be structured as follows:

i. The Board will borrow the amount necessary to pay for the Planned Improvements, the cost of financing the Planned Improvements, and related Eligible Costs through the issuance and sale of notes, bonds, or other obligations of the Board. Such amount will be applied to pay the costs relating to the Project after payment of costs incurred in connection with the issuance of the Tax Increment Financing. The Board may pledge the TIF Revenues allocated to the Board pursuant to the Plan to the payment of such notes, bonds or other obligations, including, without limitation, principal and interest thereon. In no event will the obligation issued by the Board be considered a debt or obligation of the City or County in any manner whatsoever, and the source of the funds to satisfy the Board's payment obligation thereunder shall be limited solely to the TIF Revenues and such obligations shall otherwise be non-recourse to the Board.

ii. The proceeds of the notes, bonds, or obligations may be used to pay Eligible Costs as described above, the costs of issuances relating to notes, bonds or obligations described above, and interest on such notes, bonds, or other obligations.

iii. The notes, bonds, or other obligations shall also be payable from other revenues of the Board and revenues from the Project as determined from time to time by the Board.

c. Time Period. Taxes on the real and personal property within the Plan Area will be divided and distributed as provided in this Plan for a period, as to each parcel of property in the Plan Area, not in excess of twenty (20) years as to any parcel but, in any event, such allocations shall cease when there are not Eligible Costs, including debt service, to be paid from the TIF Revenues.

d. Qualified Use. The Board, the City and the County, by the adoption of this Plan, find that the use of the TIF Revenues as described herein is in furtherance of promoting economic development in the City and County and that costs to be financed as described herein are costs of the Project.

### **VIII. Approval Process**

Pursuant to Tenn. Code Ann. § 7-53-312, the process for approval of the Economic Impact Plan is as follows:

a. The Board will hold a public hearing relating to the proposed Plan after publishing notice of such hearing in a newspaper of general circulation in the City and County at least two (2) weeks prior to the date of the public hearing. The notice must include the time, place, and purpose of the hearing as well as notice of how a map of the subject area may be viewed by the public. Following such public hearing, the Board may submit the Plan to the City and County for their approval.

b. The governing bodies of the City and County must approve the Plan to be effective as to both the City and the County. The Plan may be approved by resolutions of the City Council of the City and County Commission of the County, whether or not the local charter provisions of the governing bodies provide otherwise. If the governing body of the City approves this Plan but the governing body of the County does not approve this Plan, at Developer's option, this Plan shall

still be effective as to the City, and all references to allocating TIF Revenues of the County shall be deemed deleted. If the governing body of the County approves this Plan but the governing body of the City does not approve this Plan, at Developer's option, this Plan shall still be effective as to the County, and all references to allocating TIF Revenues of the City shall be deemed deleted.

c. Once this Plan has been approved by the governing bodies of the City and County, the clerk or other recording official of the governing bodies shall transmit the following to the appropriate tax assessor and taxing agency affected: (a) a copy of the description of the property within the Plan Area and (b) a copy of the resolutions approving the Plan. A copy of the Plan and the resolutions approving the Plan shall be filed with the Comptroller of the State, and annual statements of incremental tax revenues allocated to the Board shall be filed with the State Board of Equalization as required by the Tax Increment Act. The Board will also comply with all other procedural requirements of the Tax Increment Act and other applicable laws.

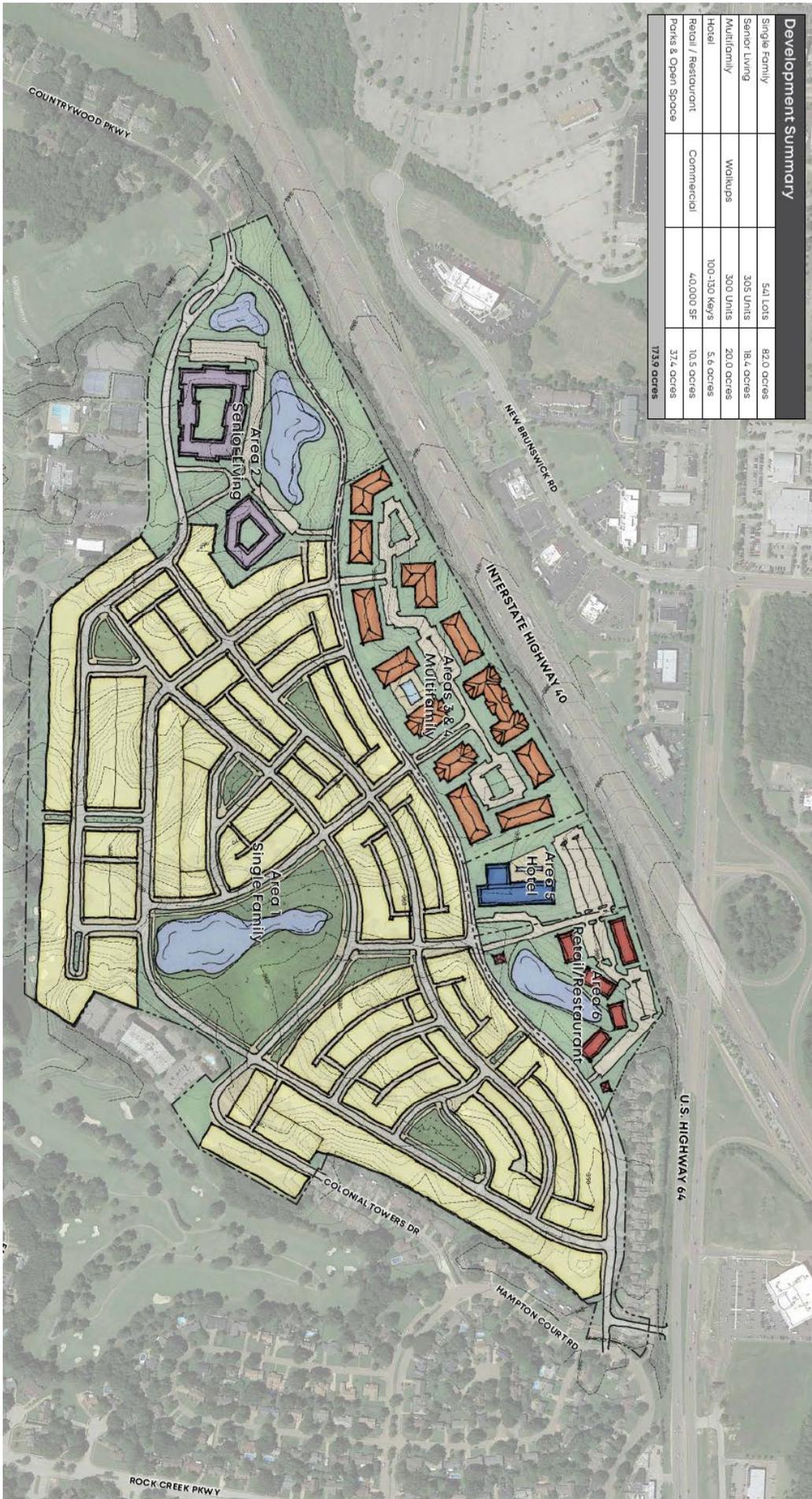
d. Once this Plan has been approved by the governing bodies of the City and County, the Board and the Developer shall execute the Development Agreement. The Board's obligation to provide financial assistance to the Project is subject to the subsequent approval and execution and delivery of the Development Agreement by the Board and the Developer.

**EXHIBIT A**  
**MAP OF PLAN AREA**

(Map Following This Page)

### Development Summary

Single Family		541 Lots	82.0 acres
Senior Living		308 Units	18.4 acres
Multifamily	Walkups	300 Units	20.0 acres
Hotel		100-130 Keys	5.6 acres
Retail / Restaurant	Commercial	40,000 SF	10.5 acres
Parks & Open Space			37.4 acres
			<b>173.9 acres</b>



**EXHIBIT B  
PARCEL LISTING**

<u>Parcel ID</u>	<u>Owner Name</u>	<u>Property Location</u>
096100 00194C	CC CLUB HOLDINGS LLC	COUNTRYWOOD
096101 D00034	CC CLUB HOLDINGS LLC	8871 FAIRWAY GARDENS

**EXHIBIT C**  
**PLANNED IMPROVEMENTS**

1. Sewer Tanks & Pumps
  - a. Setup Prep
  - b. Electrical Connection
  - c. Installation
  
2. Commercial Road
  - a. Site Prep
  - b. Roadway
  - c. Sewer
  - d. Drainage
  - e. Water
  - f. Gas
  - g. Electricity
  - h. Street Lights
  - i. Drainage Basins
  - j. Design
  - k. Right-of-Way
  - l. Demolition