CITY OF LAKELAND TENNESSEE

Industrial Development Board
Special Called Meeting Agenda
Tuesday, February 27, 2024, 5:30 PM
City Hall, Lakeland, Tennessee 38002

I. CALL TO ORDER:

II. ROLL CALL:

III. APPROVAL OF MINUTES OF PREVIOUS MEETING:

IV. PUBLIC DISCUSSION:

V. REPORTS OF OFFICERS AND COMMITTEES:

VI. OLD BUSINESS:

VII. NEW BUSINESS:

1. **Resolution** - approving a professional services contract in connection with the tax increment financing for Ashmont Developer, LLC.

2. **Resolution** - approving draw request 3 in connection with the tax increment financing for Ashmont Developer, LLC.

VIII. ANNOUNCEMENTS:

IX. ADJOURNMENT:

Industrial Development Board

Meeting Cycle: Tuesday, February 27, 2024

Subject: **Resolution** - approving a professional services contract in connection with the tax increment financing for Ashmont Developer, LLC.

Staff Contact: Michael Walker, City Manager

STAFF RECOMMENDATION
The IDB President recommends the IDB approve resolution R-26-2024.

BUDGET IMPACT
Payments in connection with this contract will be remitted by the developer and submitted as eligible infrastructure costs under the Lakeland Gateway TIF agreement.

DISCUSSION
Similar to the contract for services related to Lakeland Commons, this arrangements provides for professional review of the documentation of infrastructure costs submitted for eligibility to the IDB, allowing the developer's lender to authorize loan advances.

RESOLUTION R-26-2024

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF LAKELAND, TENNESSEE, APPROVING A PROFESSIONAL SERVICES CONTRACT IN CONNECTION WITH THE TAX INCREMENT FINANCING FOR ASHMONT DEVELOPER, LLC

WHEREAS, The Industrial Development Board of the City of Lakeland, Tennessee (the "Lakeland IDB") has approved an economic impact plan (the "Economic Impact Plan") regarding the development of an approximately 100-acre tract of land located in the northwest and northeast corners of Canada Road and Interstate 40 in the City of Lakeland, Tennessee and in Shelby County, Tennessee, as described in the Economic Impact Plan (the "Plan Area"); and,

WHEREAS, the Lakeland IDB has approved a Tax Increment Financing Application (the "TIF Application") for the Plan Area, as submitted by Ashmont Developer, LLC, a Tennessee limited liability company ("Ashmont"); and,

WHEREAS, Ashmont currently owns the portion of the Plan Area municipally known as 9640 Davies Plantation, Lakeland, Tennessee 38002 (the "Site"), and Ashmont intends to develop the Site pursuant to a planned development that is to be approved by the City of Lakeland, Tennessee, (the "City") for a new mixed-use development of retail, hotel, and senior living uses and other uses as permitted by such planned development, as such planned development may be amended from time to time by the City consistent with the Economic Impact Plan (the "Project"), and,

WHEREAS, the Economic Impact Plan permits certain tax increment financing ("Tax Increment Financing") pursuant to Chapter 53, Title 7 of the Tennessee Code Annotated; and,

WHEREAS, the Lakeland IDB reviewed the Economic Impact Plan and the TIF Application in an open public meeting; and,

WHEREAS, the Lakeland IDB conducted a public hearing on the Economic Impact Plan held at least two (2) weeks after public notice of the hearing was published in accordance with the applicable laws of Tennessee; and,

WHEREAS, in connection with Tax Increment Financing, A2H, an engineering, architecture, and planning firm, is able to provide professional services to the Lakeland IDB related to the development of the Site in an amount not to exceed thirty thousand dollars ($30,000); and,

WHEREAS, A2H has submitted a draft Professional Services Contract outlining the not to exceed amount listed above and a term of twenty-four (24) months, a copy of which is attached hereto as Exhibit A, for the provision of these services.

RESOLUTION R-26-2024

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF LAKELAND, TENNESSEE, APPROVING A PROFESSIONAL SERVICES CONTRACT IN CONNECTION WITH THE TAX INCREMENT FINANCING FOR ASHMONT DEVELOPER, LLC

NOW, THEREFORE, BE IT RESOLVED by the Lakeland IDB that**:**

RESOLVED, the draft Professional Services Contract is hereby approved (and authorized to be signed by the President of the Lakeland IDB upon final Contract submittal in substance equal to the draft) by the Lakeland IDB and further,

RESOLVED, the directors, officers, agents, and employees of the Lakeland IDB are hereby authorized and directed to do all such things and to execute or accept any and all such certificates or documents as may be necessary to carry out and comply with the provisions of this Resolution and to carry out, give effect to and consummate the transactions contemplated hereby and thereby. All of the acts and doings of the directors, officers, agents and employees of the Lakeland IDB which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and are hereby ratified, confirmed and approved.

Dated: February 27, 2024

____
Alan Johnson, *Chair*

Attest:

____
Steve Laster, *Secretary*

Exhibit A

Professional

Services

Contract

See

Attached

February 23, 2024

Michael Walker, President
Industrial Development Board of the City of Lakeland, Tennessee
10001 Highway 70
Lakeland, TN 38002

Re: Industrial Development Board of the City of Lakeland, Tennessee
Construction Administration for Lakeland Ashmont Development TIF
Lakeland, TN

A2H # 24166

Dear Michael,

A2H is pleased to submit our Proposal for consulting related services for this project. As an integrated Engineering, Architectural and Planning firm, A2H offers all services required to successfully complete this project.

If selected, please note that Bob Watson will serve as Project Manager for this project and will be your contact person in our office. If you have any questions or require additional information, please do not hesitate to contact either me or Bob at any time.

Thank you for giving us the opportunity to submit this Proposal.

Sincerely,

A2H, INC.

Logan E. Meeks, PE
President | Principal

Bob Watson, PE
Director of Construction Administration | Project Manager

3009 DAVIES PLANTATION ROAD LAKELAND, TN 38002 PHONE: 901.372.0404 FAX: 901.373.4002
WWW.A2H.COM

A2H

ENGINEERS · ARCHITECTS · PLANNERS

February 23, 2024

Michael Walker, President
Industrial Development Board of the City of Lakeland, Tennessee
10001 Highway 70
Lakeland, TN 38002

Re: Industrial Development Board of the City of Lakeland, Tennessee
Construction Administration for Lakeland Ashmont Development TIF
Lakeland, TN

A2H # 24166

Dear Michael,

We are pleased to respond to your request for Professional Services on the above referenced project. By way of this Proposal, we are enclosing our understanding of the scope of work required for the project and shall perform the Professional Services upon the terms and conditions set forth in this letter.

I. The following represents our understanding of the project description:

A2H will be responsible for consulting services necessary for the Construction Administration for Lakeland Ashmont Development TIF proposed in Lakeland, TN.

II. It is our understanding that the Basic Scope of Services includes:

A2H will provide the following as part of our Basic Scope of Services, working closely with Industrial Development Board of the City of Lakeland, Tennessee to provide these services in support of the project:

- Construction Administration

The services described below represent our understanding of the project requirements as indicated by the Client:

Construction Administration (Hourly Not To Exceed)

A. Review TIF documents as needed to verify eligible work and associated costs.
B. Review pay applications related to TIF eligible expenses/costs.
C. Coordination of project reviews with regulatory agencies as directed by the Lakeland Industrial Development Board.
D. Present findings to the Lakeland Industrial Development Board and lending institutions funding this project.

III. Exclusions from our Basic Scope of Services are as follows:

Services not set forth above as Basic Scope of Services in this Proposal are excluded from the scope of our work and we assume no responsibility to perform such services, including but not limited to:

A. Services required because of significant changes in the project, including changes in size, quality, complexity, schedule.
B. Plan review fees required by local or state entity, application fees and/or permit fees.
C. Phase 1 and/or II Environmental Site Assessment.
D. Geotechnical Engineering services for appropriate geotechnical engineering design criteria for earth-related phases
E. Off-site improvements not specifically referenced in the Basic Scope of Services.
F. Furniture, Fixture, and Equipment planning.
G. Construction Cost Estimating services.
H. Submission and payment for Advertisement for Bid.
I. Our limited construction administration services do not include construction management tasks i.e., full time on-site representation and inspection, periodic site inspection, construction progress monitoring, attending weekly OAC meetings, preparing progress reports, certifying payment requests, administering change order requests, etc. We will attend meetings when issues relating to our scope are to be discussed or if a specific issue arises requiring our involvement.
J. Quality Assurance Testing Services including but not limited to testing and special inspections.
K. The preparation of As-Built Drawings or Record Drawings after completion of construction.
L. Building commissioning services.
M. Training of Owner's staff.
N. Value Engineering/Analysis after the completion of the Construction Documents phase services shall be compensated as an Additional Service per Section VI.
O. Project closeout administration.

IV. Our proposed deliverables for the above referenced Basic Scope of Services is as follows:

A. Upon receipt of monthly TIF draw request documents, A2H will conduct a review and will provide the Client with a letter within 5 working days recommending reimbursement under the guidelines of the executed Gateway Development Agreement.
B. The following is a preliminary anticipated schedule:

February 27, 2024	Anticipated Notice To Proceed from Client.
February 27, 2024	Construction Commencement Estimated time for construction – 24 months.

V. Our proposed compensation for the above referenced Basic Scope of Services is as follows:

Construction Administration (Hourly Not To Exceed) (Per A2H Hourly Rate Schedule in Section VI)	$	30,000.00
Compensation for Basic Scope of Services	**$**	**30,000.00**

VI. Additional Services:

Additional services shall consist of all services not included in the Basic Services as set forth above. No work will be performed beyond the services noted above without an express written agreement between A2H and Industrial Development Board of the City of Lakeland, Tennessee. Additional Services will be billed either on an hourly basis in accordance with the hourly rate schedule contained herein, or a negotiated fixed fee based on the scope of additional services requested. The A2H Hourly Rate Schedule is as follows:

Principal	$ 215.00
Associate Principal	$ 180.00
Project Manager	$ 160.00
Project Coordinator	$ 95.00
Architect	$ 160.00
Engineer	$ 150.00
Senior Designer	$ 135.00
Landscape Architect	$ 130.00
Planner	$ 120.00
Land Surveyor	$ 110.00
Interior Designer	$ 110.00
Construction Administrator	$ 100.00
Construction Inspector	$ 100.00
Designer	$ 105.00
BIM/CAD Technician	$ 90.00
Survey Crew Member	$ 75.00
Administrator	$ 75.00

If this Proposal satisfactorily sets forth your understanding and the agreement between A2H and Industrial Development Board of the City of Lakeland, Tennessee, we would appreciate your signing the enclosed copy of this letter agreement in the space provided below and returning the Proposal to us.

Upon approval, A2H would suggest preparation of an industry accepted Contract such as mutually agreed upon Owner provided Contract for this project. Please see attached for an example of the contract for your review.

This Proposal will be open for acceptance for 60 calendar days. We certainly look forward to working with you on this project and thank you for giving us the opportunity to submit this Proposal.

If you have any questions, please call.

Sincerely,

A2H, Inc.

Logan E. Meeks, PE
President | Principal

AGENT FOR:	**INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF LAKELAND, TENNESSEE**
ACCEPTED BY:	______________________ **DATE:** ____________
TITLE:	______________________

Industrial Development Board

Meeting Cycle: Tuesday, February 27, 2024

Subject: **Resolution** - approving draw request 3 in connection with the tax increment financing for Ashmont Developer, LLC.

Staff Contact: Michael Walker, City Manager

STAFF RECOMMENDATION
The IDB President recommends that the IDB approve resolution R-27-2024.

BUDGET IMPACT
The costs delineated on the attached documentation will be treated as eligible infrastructure costs under the Lakeland Gateway TIF agreement, and ultimately reimbursed from the project fund.

DISCUSSION
This draw request has been reviewed by the IDB's professional services firm and determined to be eligible infrastructure costs for the Gateway TIF. For clarification, this is the first draw officially before the IDB for approval, although labeled as Draw #3 - Draw #1 was the lender's approval of pre-loan costs, and Draw #2 was the lender's approval of closing costs.

RESOLUTION R-27-2024

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF LAKELAND, TENNESSEE, APPROVING DRAW REQUEST 3 IN CONNECTION WITH THE TAX INCREMENT FINANCING FOR ASHMONT DEVELOPER, LLC

WHEREAS, The Industrial Development Board of the City of Lakeland, Tennessee (the "Lakeland IDB") has approved an economic impact plan (the "Economic Impact Plan") regarding the development of an approximately 100-acre tract of land located in the northwest and northeast corners of Canada Road and Interstate 40 in the City of Lakeland, Tennessee and in Shelby County, Tennessee, as described in the Economic Impact Plan (the "Plan Area"); and

WHEREAS, the Lakeland IDB has approved a Tax Increment Financing Application (the "TIF Application") for the Plan Area, as submitted by Ashmont Developer, LLC, a Tennessee limited liability company ("Ashmont"); and

WHEREAS, Ashmont currently owns the portion of the Plan Area municipally known as 9640 Davies Plantation, Lakeland, Tennessee 38002 (the "Site"), and Ashmont intends to develop the Site pursuant to a planned development that is to be approved by the City of Lakeland, Tennessee, (the "City") for a new mixed-use development of retail, hotel, and senior living uses and other uses as permitted by such planed development, as such planned development may be amended from time to time by the City consistent with the Economic Impact Plan (the "Project"), and

WHEREAS, the Economic Impact Plan permits certain tax increment financing ("Tax Increment Financing") pursuant to Chapter 53, Title 7 of the Tennessee Code Annotated; and

WHEREAS, the Lakeland IDB reviewed the Economic Impact Plan and the TIF Application in an open public meeting; and

WHEREAS, the Lakeland IDB conducted a public hearing on the Economic Impact Plan held at least two (2) weeks after public notice of the hearing was published in accordance with the applicable laws of Tennessee; and

WHEREAS, in connection with Tax Increment Financing, the City has entered into a Development Agreement with the Lakeland IDB, wherein the Ashmont Interests are defined, with respect to the Plan Area and the development of the Project; and

WHEREAS, under the Development Agreement between the Lakeland IDB and the City, the proceeds of the Tax Increment Financing would be used to pay the costs of the eligible public improvements (the "TIF Eligible Costs") relating to the development of the Project and would pledge the TIF Revenues to apply to the debt service of the Tax Increment Financing; and

WHEREAS, in connection with the Tax Increment Financing, Ashmont has submitted Draw Request 3, a copy of which is attached hereto as **Exhibit A**, to use for certain TIF Eligible Costs.

RESOLUTION R-27-2024

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF LAKELAND, TENNESSEE, APPROVING DRAW REQUEST 3 IN CONNECTION WITH THE TAX INCREMENT FINANCING FOR ASHMONT DEVELOPER, LLC

NOW, THEREFORE, BE IT RESOLVED by the Lakeland IDB that**:**

RESOLVED, the Draw Request is hereby approved by the Lakeland IDB and further,

RESOLVED, the directors, officers, agents, and employees of the Lakeland IDB are hereby authorized and directed to do all such things and to execute or accept any and all such certificates or documents as may be necessary to carry out and comply with the provisions of this Resolution and to carry out, give effect to and consummate the transactions contemplated hereby and thereby. All of the acts and doings of the directors, officers, agents and employees of the Lakeland IDB which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and are hereby ratified, confirmed and approved.

Dated: February 27, 2024

____
Alan Johnson, *Chair*

Attest:

____
Steve Laster, *Secretary*

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF LAKELAND, TENNESSEE, APPROVING DRAW REQUEST 3 IN CONNECTION WITH THE TAX INCREMENT FINANCING FOR ASHMONT DEVELOPER, LLC

Exhibit A

Draw

Request(s)

See

Attached

EXHIBIT D

Form of Payment Request

PAYMENT REQUEST

To: The Industrial Development Board of the City of Lakeland, Tennessee
c/o President
10001 Highway 70
Lakeland, Tennessee 38002

Re: Development [and Financing] Agreement dated June 15, 2023, between Ashmont Developer, LLC ("Developer"), and The Industrial Development Board of the City of Lakeland, Tennessee, a public nonprofit corporation organized under Tenn. Code Ann. §§ 7-53-101, *et. seq*. (the "Board")

Pursuant to Section [4] of the Development Agreement, please disburse the sum of $327,016.07 from the Project Tax Increment Fund. In connection with such disbursement, the undersigned hereby certifies as follows:

(a) All amounts disbursed will be applied to the payment of or the reimbursement to Developer for Eligible Costs (including, without limitation, Transaction Costs), and the Eligible Improvements to which such Eligible Costs relate (if applicable) have been completed in material compliance with the plans and specifications previously provided to the Board or its Construction Consultant, to the extent applicable under the Development Agreement. The Construction Consultant has inspected and approved the Eligible Improvements, to the extent its approval is required under the Development Agreement.

(b) With the delivery of this Payment Request, all requirements for this disbursement under Section [4] of the Development Agreement have been satisfied.

(c) Developer or the Developer Representative has entered into all development agreements with the City of Lakeland or an agency thereof necessary for the construction of the Eligible Improvements to which this Payment Request relates. As of the date of this Payment Request, there are no defaults on the part of Developer or the Developer Representative under any such development agreements.

Please disburse all such amounts to the parties in the manner described on Exhibit A attached hereto.

All capitalized terms used herein and not otherwise defined have the respective meanings given to such terms in the Development Agreement.

Dated as of Feb 23, 2024.

Signatures on the following page.

DEVELOPER:

Ashmont Developer, LLC

By: Bart Thomas

Name: Bart Thomas

Title: Member

Payment Request reviewed and reimbursement of Eligible Cost recommended **if required under Development Agreement:**

[CONSTRUCTION CONSULTANT]

By: Robert C. Wohn - A2H, Inc.

Title: Director of Construction Administration

Date: 2/23/2024

Exhibit D to Development Agreement

DESCRIPTION	PROJECT BUDGET					DRAW REQUESTS												%	BALANCE TO FUND
Lakeland - Ashmont Developers, LLC		REALLOCATIONS						12/15/23	2/20/24								DATE		(Incl. Retainage)
	ORIGINAL	PREV. ADJ.	CURRENT ADJ.	REVISED	REVISED BUDGET / USABLE SF	CLOSING	DRAW 1 - Reimbursement Post Closing	DRAW 2 - Bank & Legal Closing Costs	DRAW 3	DRAW 4	DRAW 5	DRAW 6	DRAW 7	DRAW 8	DRAW 9	DRAW 10	TOTAL	%	
LAND: ***4,325,508.00***																			
Purchase Price	$0.00			$0.00	$0.00												$0.00		$0.00
SUB TOTAL LAND	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**		**$0.00**
HARD COSTS:																			
Infrastructure	$ 8,187,458.00			$8,187,458.00	$1.89		$507,133.75		$261,305.05								$768,438.80	9%	$7,419,019.20
Retainage Escrow Account				$0.00	$0.00												$0.00		$0.00
Landscaping				$0.00	$0.00												$0.00		$0.00
Site Lighting				$0.00	$0.00												$0.00		$0.00
Walls / Fencing				$0.00	$0.00												$0.00		$0.00
MLGW / Utility Connections				$0.00	$0.00												$0.00		$0.00
																	$0.00		$0.00
SUB TOTAL HARD COSTS	**$8,187,458.00**	**$0.00**	**$0.00**	**$8,187,458.00**	**$1.89**	**$0.00**	**$507,133.75**	**$0.00**	**$261,305.05**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$768,438.80**	9%	**$7,419,019.20**
SOFT COSTS:																			
Architect	0.00			$0.00	$0.00												$0.00		$0.00
Engineering	425,000.00			$425,000.00	$0.10		$47,222.86		$26,657.19								$73,880.05	17%	$351,119.95
Insurance & Bonding	200,000.00			$200,000.00	$0.05		$867.69		$293.99								$1,161.68	1%	$198,838.32
Planning / Consulting	350,000.00			$350,000.00	$0.08		$92,528.70		$16,989.86								$109,518.56	31%	$240,481.44
Lakeland Development Fees	650,000.00			$650,000.00	$0.15				$19,920.00								$19,920.00	3%	$630,080.00
Legal / Title Work / Bank Closing Costs / Appraisal	150,000.00		$113,294.71	$263,294.71	$0.06	$85,958.46	$400.00	$176,936.25									$263,294.71	100%	$0.00
Surveys / Phase I / Site Staking	100,000.00			$100,000.00	$0.02	$3,935.00	$27,260.00		$1,850.00								$33,045.00	33%	$66,955.00
MLGW / Utility Connections	0.00			$0.00	$0.00												$0.00		$0.00
RE Taxes	0.00			$0.00	$0.00												$0.00		$0.00
Interest / Operating Reser 8.0% on $12.5MM Average Funded for 3-Yrs	2,208,000.00			$2,208,000.00	$0.51												$0.00	0%	$2,208,000.00
Inspection Fees (36)	45,000.00			$45,000.00	$0.01												$0.00	0%	$45,000.00
Contingency	$684,542.00		($113,294.71)	$571,247.29	$0.13												$0.00	0%	$571,247.29
SUB TOTAL SOFT COSTS	**$4,812,542.00**	**$0.00**	**$0.00**	**$4,812,542.00**	**$1.11**	**$89,893.46**	**$168,279.25**	**$176,936.25**	**$65,711.04**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$500,820.00**	10%	**$4,311,722.00**
				$0.00													$0.00		$0.00
TOTAL PROJECT COSTS	**$13,000,000.00**	**$0.00**	**$0.00**	**###############**	**$3.01**	**$89,893.46**	**$675,413.00**	**$176,936.25**	**$327,016.09**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$1,269,258.80**	10%	**$11,730,741.20**
SOURCES OF FUNDS:																			
Developer Equity / Debt Needed	$0.00			$0.00	$0.00												$0.00		$0.00
TIF - First Citizens Bank	$13,000,000.00			###############	$3.01	$89,893.46	$675,413.00	$176,936.25	$327,016.09	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1,269,258.80	10%	$11,730,741.20
				$0.00													$0.00		$0.00
TOTAL SOURCES OF FUNDS				**###############**	**$3.01**	**$89,893.46**	**$675,413.00**	**$176,936.25**	**$327,016.09**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$1,269,258.80**	10%	**$11,730,741.20**
DIFFERENCES				**$0.00**		**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**		**$0.00**
- Contract 1 Retainage Tracking																	$0.00		