

**THE INDUSTRIAL DEVELOPMENT BOARD OF THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY**

**ECONOMIC IMPACT PLAN
FOR
RIVERGATE MALL ECONOMIC DEVELOPMENT PROJECT**

1. Authority for Economic Impact Plan. Industrial development corporations (“IDBs”) are authorized under T.C.A. § 7-53-314 to prepare and submit to metropolitan governments an economic impact plan with respect to an area that includes a project within the meaning of T.C.A. § 7-53-101 and such other properties that the IDB determines will be directly improved or benefited due to the undertaking of a project. T.C.A. § 7-53-314 authorizes metropolitan governments to allocate to an IDB a portion of incremental real and personal property tax revenues arising from the area subject to the economic impact plan (the “Incremental Revenues”), to promote economic development, to pay the cost of projects and other eligible costs and/or to pay debt service on bonds or other obligations issued by the IDB to pay the cost of projects and other eligible costs.

2. The Project. Merus LLC, an Ohio limited liability company, as developer on behalf of its affiliates thereof and its future affiliated entities that may engage in such development (collectively, the “Developer”) intend to develop approximately 57 acres as a mixed-use development (the “Development”) within The Metropolitan Government of Nashville and Davidson County (the “Metropolitan Government”). The current conceptual site plan for the Development is attached hereto as Exhibit A. As shown by the conceptual site plan, the Development is expected to include a number of different components, such as multifamily housing, townhomes for sale, senior housing, retail, restaurant, sports and entertainment facilities, medical office, general office, and hotels. Several of these components, together with the public infrastructure described in Section 4 hereof, will constitute a “project” within the meaning of T.C.A. § 7-53-101. The Development will be a mixed-use development with each component supporting other components to create an integrated mixed-use community, and therefore each parcel within the Development, now existing or hereinafter created from existing parcels, will directly benefit from the development of these “projects.” Collectively, the projects that are eligible projects within the meaning of T.C.A. § 7-53-101 and that are expected to be located within the Development shall constitute the project that is required to be located within the Plan Area identified below, and such projects are referred to in this Plan as the “Project”.

In order to make the undertaking of the Project and the Development financially feasible, the Developer has requested the Metropolitan Government to approve this Plan that has been submitted by The Industrial Development Board of The Metropolitan Government of Nashville and Davidson County (the “Board”), pursuant to Title 7, Chapter 53 of Tennessee Code Annotated, to provide a portion of Incremental Revenues to pay a portion of the costs of the Project, other eligible costs and/or to pay debt service relating to tax increment financing incurred to finance such eligible costs.

3. Boundaries of Plan Area. The Development, including the Project, will be located in the area shown on Exhibit A attached hereto (the “Plan Area”). The Plan Area is located entirely within the boundaries of the Metropolitan Government. A list of the existing tax parcels that are in the Plan Area are attached hereto as Exhibit B. Upon adoption of this Plan, the Plan Area is hereby

declared to be subject to this Plan, and the Project that will be located within the Plan Area is hereby identified as the required project for purposes of T.C.A. § 7-53-314. The Plan Area only includes the Project and other parcels that will directly benefit from the Project due to the creation of public infrastructure necessary for the Project and through interconnectivity of the multi-use development that includes the Project.

4. Financial Assistance. The Board will provide financial assistance to the Project by applying a portion of Incremental Revenues generated within the Plan Area in the manner described in this Plan to pay debt service with respect to tax increment financing issued by the Board to finance and/or pay and/or reimburse the Developer for the payment of all or a portion of certain costs that will be incurred in connection with public infrastructure serving the Plan Area. These costs will relate to the design, construction and installation of public infrastructure to be made in, adjacent to, or serving the Plan Area that the Board deems necessary to serve the Project, which shall include all public infrastructure in the Plan Area.

For costs eligible to be funded with the Incremental Revenues, the term “public infrastructure” shall have the meaning given to such term in T.C.A. § 9-23-102(16), which includes (i) roads, streets, publicly-owned or privately-owned parking lots, facilities or garages, traffic signals, sidewalks or other public improvements that are available for public use, utility improvements and storm water and drainage improvements, whether or not located on public property or a publicly-dedicated easement, and (ii) any building demolition and site preparation work required in order to construct any of the facilities described in clause (i), as certified by an independent engineer or architect engaged by the Developer with respect to the Project.

The Board’s obligation to pay and/or reimburse the Developer for all or a portion of the cost of such public infrastructure and to otherwise provide financial assistance with respect to the Project shall be set forth in a development and tax incentive agreement between the Board and the Developer, which agreement shall be in substantially the form attached hereto as Exhibit C (the “Development Agreement”). Pursuant to the Development Agreement, the Board may also agree to reimburse the Developer for costs incurred in connection with the preparation and approval of this Plan that the Developer is required to pay pursuant to the Board’s policies. In connection with any tax increment financing payable in whole or in part from Incremental Revenues as authorized herein, the proceeds of such tax increment financing may also be used to pay interest during construction to the extent permitted by law, establish reasonable reserves to pay debt service and all other costs relating to the issuance of such tax increment financing.

It is expected that the Incremental Revenues allocated pursuant to this Plan would only be used to pay public infrastructure costs as defined in T.C.A. § 9-23-102 or to pay debt service on tax increment financing incurred to finance such costs, so it is not expected that a determination from the applicable officials of the State of Tennessee (the “State”) will be required pursuant T.C.A. § 9-23-108 as to the use of such Incremental Revenues to pay any costs on private property that are not public infrastructure costs. However, to the extent any Public Infrastructure is determined to be of a nature that would require such a determination (a “Best Interest Determination”), the parties will work together to seek same.

5. Expected Impact on the Metropolitan Government. The Development, which includes the Project, is expected to promote significant economic development in the Plan Area through utilization of commercial, residential, office, hotel, dining, entertainment, recreational and mixed-use properties. It is anticipated that the Project will become a catalyst for further development of the surrounding areas and will support the continued growth of the northeast portion of the Metropolitan Government.

Attached hereto as Exhibit D is an Economic Impact and Fiscal Benefit Analysis (the “Economic Impact Analysis”), prepared by Camoin Associates and the Developer. As shown in the Economic Impact Analysis, the Project is projected to result in substantial direct and indirect increases in property and sales tax revenues, hotel tax revenues, and net new jobs.

The Economic Impact Analysis utilizes the Developer’s assumption that during the construction period, the Project will generate \$337,511,000 in capital investment, including the buildings and Public Infrastructure (but excluding property acquisition costs, which are estimated at \$30,300,000), and assumes that 50% of which (\$168,755,500) will be sourced within the Metropolitan Government, which in turn is projected to generate approximately \$91,000,000 in indirect and induced sales. The Economic Impact Analysis projects that the construction of the Project is projected to create approximately 955 temporary direct, indirect and induced jobs (including part-time jobs), which are projected to collectively result in an additional \$99,912,260 in salaries and wages related to the construction activities.

As shown in the Economic Impact Analysis, local sales and use tax collections by the Metropolitan Government, the City of Goodlettsville (“Goodlettsville”) and other municipalities incorporated within the Metropolitan Government as a result of the Project are projected to reach about \$515,844 annually.

Additionally, the Economic Impact Analysis projects a one-time collection in local sales and use taxes by the Metropolitan Government and Goodlettsville of \$1,712,943 as a result of the construction of the Project.

The Economic Impact Analysis projects that the Project will generate \$902,813 in new hotel tax revenues annually. All of the sales and hotel taxes generated by the Project shall be retained by and benefit either the Metropolitan Government (and its schools), Goodlettsville or other municipalities incorporated within the Metropolitan Government, as applicable.

As shown in the Economic Impact Analysis, the Project is projected by the Developer to generate a total of \$83,928,171 in real property taxes to the Metropolitan Government for the 20-year period following completion. As further detailed in Section 6 below, the Metropolitan Government will retain a portion of these real property taxes during the 25-year period during which financial assistance is provided to the Developer hereunder, and the Metropolitan Government will receive all such real property taxes thereafter, thereby benefitting the Metropolitan Government and its schools.

Furthermore, the Economic Impact Analysis projects that the Project will directly create over 660 jobs (including part-time jobs), and these jobs are projected to result in an addition of nearly \$100 million dollars in direct spending annually. In addition, the Economic Impact Analysis

projects that economic growth will extend to the surrounding community, resulting in over 1,000 total jobs created (including the 660 jobs listed above) and over \$175 million in spending (including the \$100 million noted above) once the Project is completed.

Additionally, the Plan Area will be enhanced aesthetically with a revitalized shopping area positioned directly next to Interstate 65, TN-386 and Gallatin Pike, and the Project will provide additional transit options in coordination with WeGo. With the expansion of the WeGo circulator routes to the northeast commuting system, the Project will provide a location stop for this route. Riders on this line will be able to either stay on site and shop, eat, play or transfer to the stop serving the Rapid Transit route created along Gallatin Pike. To achieve this connectivity, multi-modal improvements will be made to the Plan Area, encouraging not only ridership but also connecting the Gallatin Pike complete streets initiative to and through the site and onto planned trails to the north in Goodlettsville.

The Development will also provide much-needed affordable senior housing. The current options for senior housing in the Madison/Goodlettsville area are severely limited and focus solely on highly assisted, memory care and hospice level of care. The Metropolitan Government will benefit from the Project providing a senior housing option not currently available in the area in the “age in place” concept. The majority of the units in this fully-licensed senior living facility will provide for independent living, attached to both assisted living and memory care.

The Development Agreement will obligate the Developer, or a senior housing developer engaged by the Developer, to include a senior housing facility into the Development. The Development Agreement will further require the senior housing facility to incorporate 80 units of age-restricted housing for seniors with an annual household income of between 50% and 80% of the area median income (AMI), subject to the ability of the Developer to obtain Low-Income Housing Tax Credits (LIHTCs) for these 80 units through the Tennessee Housing Development Agency. If the Developer is unable to secure LIHTCs in the manner described above, the Development Agreement will obligate the Developer to include within the senior living facility at least 10% of the units reserved for residents with an annual household income between 80% and 100% of AMI.

The Economic Impact Analysis projects that the Project will also benefit the surrounding properties in several ways. First, the Analysis projects that the Project will enhance the land valuation of the surrounding parcels by revitalizing a deteriorating retail facility and bringing economic life to the area and reducing consumer reluctance to visit and shop in the area. Second, the Analysis projects that the Project will encourage additional businesses to relocate to this mixed-use district in Madison/Goodlettsville, as the Project becomes a retail and entertainment anchor for the Madison/Goodlettsville area. Third, by including housing in the Project for an estimated 708 net new households, the Analysis projects that the Project will increase the consumer base for surrounding properties, increase business, and generate over \$30,000,000 in projected combined new household spending in the Metropolitan Government.

6. Distribution of Taxes and Tax Increment Incentives

(a) Distribution of Property Taxes. In accordance with and subject to T.C.A. § 7-53-314 and T.C.A. § 9-23-101 *et seq.* (collectively, the “Tax Increment Act”), the real and personal property tax revenues collected with respect to parcels of real property within the Plan Area will be allocated and distributed as provided in this section. The real and personal property tax revenues collected the Metropolitan Government on each tax parcel of real property within the Plan Area will be divided and distributed as follows (subject to the commencement of allocation as to each parcel as is permitted below):

(i) The portion of the real and personal property tax revenues that were payable with respect to each tax parcel for the year prior to the date of approval of this Plan (the “Base Tax Amounts”) shall be allocated to and, as collected, paid to the Metropolitan Government as all other tax revenues collected by the Metropolitan Government on all other properties; provided, however, that in any year in which the taxes on the real and personal property within the applicable portion of the Plan Area are less than the applicable Base Tax Amount, there shall be allocated and paid to the Metropolitan Government only the taxes actually imposed.

(ii) The portion of the real and personal property taxes payable with respect to each tax parcel that constitutes Dedicated Taxes (as defined below) and is not included in the Base Tax Amount shall be retained by the Metropolitan Government for its debt service fund. “Dedicated Taxes” are defined in T.C.A. § 9-23-102 of the Tax Increment Act, as “that portion of property taxes, if any, designated by a taxing agency to pay debt service on the taxing agency's debt.” “Taxing agency” is defined in the Tax Increment Act as “any county, city, town, metropolitan government or other public entity that levies property taxes on property within a plan area and that has approved the plan,” which for the purpose of this Plan is the Metropolitan Government.

(iii) Subject to the limitation set forth in Section 7 hereof, the excess of real and personal property taxes revenues as to each parcel over the Base Tax Amount for such parcel, less the amount attributable to Dedicated Taxes for such parcel (“Net Tax Revenues”), shall be allocated as follows:

(A) For the first five (5) allocation years for a parcel, 100% of Net Tax Revenues, as collected, shall be paid into a separate fund or funds of the Board, created to hold such payments until such amounts are applied as provided in the Development Agreement to pay or reimburse eligible costs relating to the Project, and pay debt service on the obligations expected to be issued by the Board to finance such costs, all as more fully provided herein.

(B) For allocation years six (6) through twenty-five (25) for a parcel, 75% of Net Tax Revenues, as collected, shall be paid into a separate fund or funds of the Board in the manner and for the uses described in subsection (A) above, and the balance of such Net Tax Revenues shall be retained by the Metropolitan Government.

(iv) Notwithstanding the foregoing, the Board shall set aside an amount of Net Tax Revenues otherwise allocable to the Board in each year to pay (or reimburse the prior payment of) the reasonable third-administrative expenses of the Board or the Metropolitan Government related to this Plan and any tax increment financing incurred hereunder, as more fully set forth in the Development Agreement. As used herein, the term “Allocated Revenues” shall mean the portion of Net Tax Revenues allocated to the Board in the manner set forth in subsection (iii) above for purposes of application in accordance with the Development Agreement, net of any portion of such Net Tax Revenues retained by the Board to fund administrative expenses.

(b) General Allocation Provisions. The Board is authorized to make all calculations relative to the allocation of Incremental Revenues on the basis of each parcel within the Plan Area instead of on an aggregate basis. As permitted by the Tax Increment Act, the Board is also authorized to separately group one or more parcels within the Plan Area for purposes of calculating and allocating Incremental Revenues, and in such case, the allocation of Incremental Revenues shall be calculated and made based upon each such parcel or group of parcels and not the entire Plan Area.

The Base Tax Amount will be separately established for each parcel, as each such parcel may be subdivided, and the Board will make calculations and allocations of Incremental Revenues for each parcel separately (or with respect to groups of parcels as provided above). The parcels within the Plan Area may be further subdivided, in which case such parcels, as subdivided, will be treated separately, and the Base Tax Amount (whether attributable to real or personal property taxes) with respect to each tax parcel that is subdivided shall be allocated to each subdivided parcel on a pro-rated basis using either the acreage of each subdivided parcel as a percentage of the total acreage of the original tax parcel or using the relative then-current real property tax amounts, as the Board may determine.

The Board is also authorized to designate, by notice to the Metropolitan Government, that the allocation of Incremental Revenues for each parcel or group of parcels within the Plan Area may begin in different years from the allocations of Incremental Revenues for other parcels or groups of parcels within the Plan Area. This approach allows the Board to match Incremental Revenues from the development of each of the parcels with debt service payments. The allocation of Incremental Revenues for each parcel within the Plan Area will be subject to the allocation period limitation set forth in Section 8 below.

Allocations of Net Tax Revenues pursuant to Section 6(a)(ii) above shall be made (i) as to revenues derived from non-delinquent taxes, within sixty (60) days of the date such taxes are due without penalty for each tax year and (ii) as to revenues derived from delinquent taxes, within sixty (60) days from when such taxes are collected by the Metropolitan Government.

(c) No Effect on Goodlettsville Property Taxes. This Plan relates only to the property taxes of the Metropolitan Government. For the avoidance of doubt, this Plan does not purport to allocate for the benefit of the Project any property taxes of Goodlettsville.

(d) **Expiration Upon Failure to Subdivide.** In the event those parcels depicted in Exhibit B as lying on partially within the Plan Area are not subdivided in the manner contemplated in Exhibit B by December 31, 2026, this Plan shall be of no further force and effect.

7. Limitations on Allocations. The aggregate amount of Net Tax Revenues allocated to the Board pursuant to Section 6 of this Plan, including without limitation any amounts used to directly reimburse the developer, to pay debt service on any debt issuance authorized hereunder or retained by the Board pursuant to Section 6(a)(iv), shall not in any event exceed \$42,000,000. For illustration purposes only, and not as any limit on any allocation hereunder, under current market conditions, it is expected that the allocation of \$42,000,000 of Net Tax Revenues hereunder would facilitate a tax increment financing that generates a grant to the Developer in the approximate amount of \$22,500,000.

8. Time Period of Allocations. Net Tax Revenues will be allocated to the Board as provided in this Plan for a period as to each parcel or groups of parcels in the Plan Area for a maximum period of twenty-five (25) tax years, provided that such allocation shall not exceed twenty (20) years unless the extension of the allocation period beyond twenty (20) years receives a Best Interest Determination, with the commencement of each allocation period as to each parcel being determined as is provided in the Development Agreement. Until an allocation of Net Tax Revenues commences as to a parcel as described above, no Net Tax Revenues shall be allocated to the Board as to such parcel. The allocation of Net Tax Revenues shall continue until all obligations are satisfied and Board expenditures have been paid, subject to the maximum allocation period and the limitations above. The allocation period for Net Tax Revenues as to each parcel within the Plan Area shall commence not later than (i) the first full calendar year after completion of the initial vertical improvements on such parcel or (ii) the 2035 calendar year, as provided in more detail in the Development Agreement.

9. Debt Issuance and/or Reimbursement of Eligible Costs. The Board may borrow funds through the issuance and sale of notes, bonds or other obligations of the Board in one or more issuances, to pay for or reimburse eligible costs (as described above) relating to the Project. The Board may pledge all or a portion of the Allocated Revenues to the payment of any such notes, bonds or other obligations, including, without limitation, principal and interest thereon. In no event will the obligations issued by the Board be considered a debt or obligation of the Metropolitan Government in any manner whatsoever, and the source of the funds to satisfy the Board's payment obligations thereunder shall be limited, as to the Board, solely to the Allocated Revenues and shall otherwise be non-recourse to the Board. Any debt obligation of the Board may be refinanced by the Board at any time as permitted by the Tax Increment Act, and upon such refinancing, available Allocated Revenues shall be applied to the payment of such refinancing debt to the extent such Allocated Revenues were to be used to pay the debt that is being refinanced. Allocated Revenues may also be applied directly to pay or reimburse eligible costs relating to the Project. The application of Allocated Revenues shall be governed by the Development Agreement.

10. Finding of Economic Benefit. The Board and the Metropolitan Government, by the adoption of this Plan, find that the Project, as a whole, is within an area that could provide substantial sources of tax revenues and economic activity to the Metropolitan Government, and find that the use of the Incremental Revenues, as described herein, is in furtherance of the promotion of economic

development in the Metropolitan Government, and that the use of the Incremental Revenues, as provided herein, will develop trade and commerce in and adjacent to the Metropolitan Government, will contribute to the general welfare, and will alleviate conditions of unemployment. In addition, it is determined that the construction and equipping of the Project will be necessary and advantageous to the Board in furthering the purposes of the Tax Increment Act and that the use of the Incremental Revenues to pay the costs authorized herein and/or to pay debt service on the obligations expected to be issued by the Board to finance all or a portion of such costs is necessary and desirable under T.C.A. § 9-23-102(16).

11. Approval Process. Pursuant to T.C.A. § 7-53-314, the process for the approval of this Plan is as follows:

(a) The Board shall hold a public hearing on this Plan after publishing notice of such hearing in a newspaper of general circulation in the Metropolitan Government at least two 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 vote to submit this Economic Impact Plan to the Metropolitan Council for its approval.

(b) The Metropolitan Council must approve this Plan for this Plan to be effective. This Plan may be approved by resolution of the Metropolitan Council, whether the Charter of the Metropolitan Government provides otherwise. If the Metropolitan Council fails to approve this Plan, this Plan will not become effective. If the Metropolitan Council make any changes to this Plan in connection with their approval hereof, such changes shall be approved as provided by applicable law.

(c) Once the Metropolitan Council has approved this Plan, this Plan and related documents shall be filed with the Metropolitan Government's taxing officials and the Comptroller of the State. Annual statements of Net Tax Revenues allocated to the Board shall be filed with the State Board of Equalization. The Board will also comply with all other procedural requirements of the Tax Increment Act and other applicable laws. The Board, the Metropolitan Government and Developer will cooperate to make the necessary submissions to obtain the Best Interest Determination.

Exhibit A

Conceptual Site Plan and Map of Plan Area

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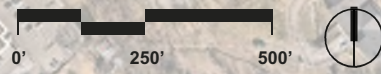
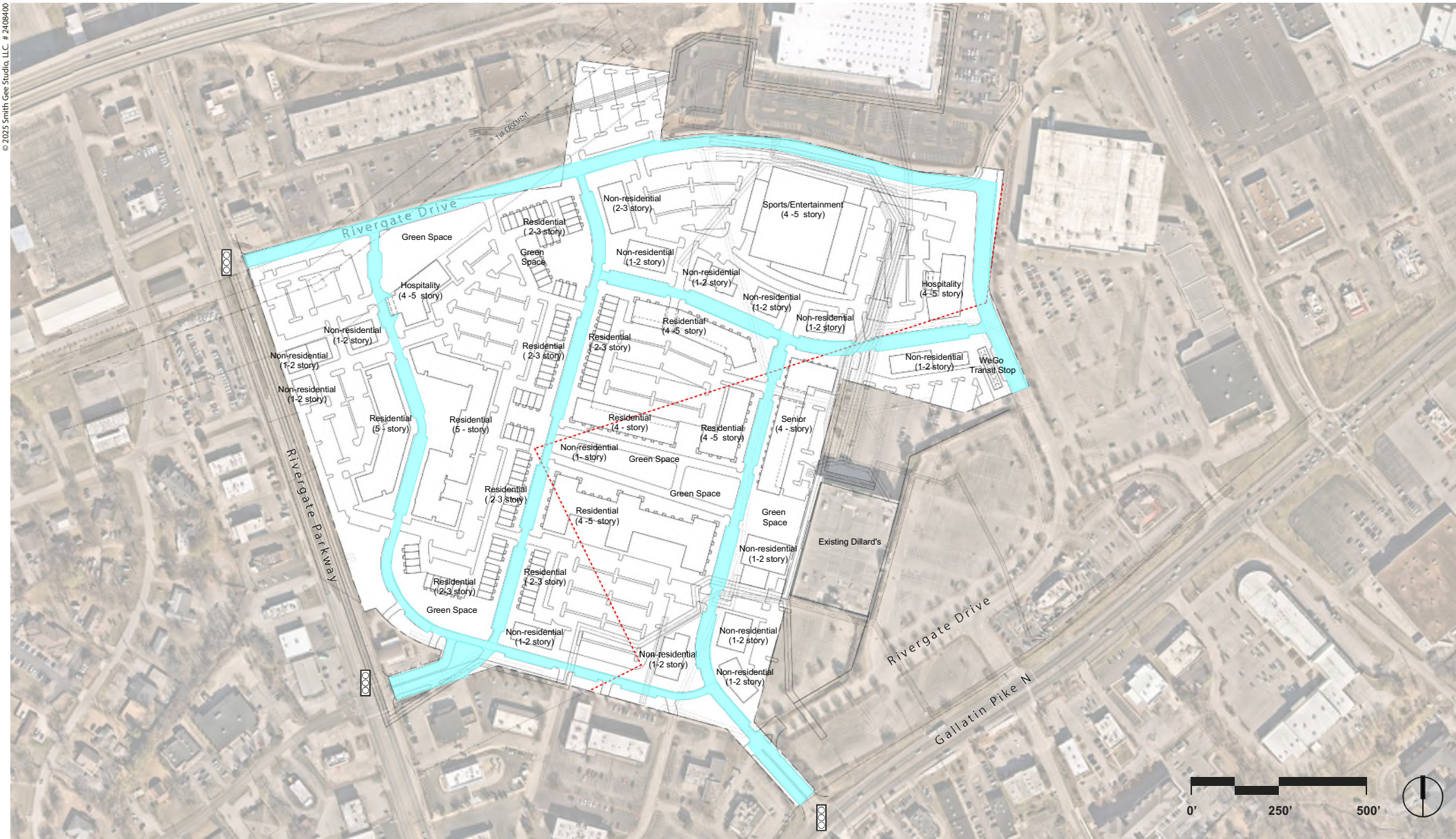


Exhibit B

Parcel Identification of Parcels in the Plan Area

02614002400
02614003100
03402007600
03402007600-1
03402007600-2 *
02614005500
02614005200
02614005200-1
02614005200-2 **
02614002600
02614002600-1
02614002600-2
02614002800
02614005600
03402007700-1 ***
03402007700-2 ****
02614006100-1 *****
02614006100-2 *****

* Parcel is subject to a Land Swap agreement between the Developer and Dillard's (the "Land Swap"). Base year tax amount will be adjusted to reflect value of .3 acres decrease for land to be sold to Dillard under Land Swap. Any personal property taxes with respect to this parcel will be included in base taxes. (See Item 3 on Schedule 1)

** Parcel is subject to Land Swap. Base year tax amount will be adjusted to reflect value of 3.91 acres decrease for land to be sold to Dillard's under Land Swap. Any personal property taxes with respect to this parcel will be included in base taxes. (See Item 4 on Schedule 1)

*** Parcel is subject to Land Swap. Base year tax amount will reflect value of .44 acres of land to be acquired by Merus' under Land Swap. Any personal property taxes with respect to this parcel will be excluded from base taxes. (See Item 1 on Schedule 1)

**** Parcel is subject to Land Swap. Base year tax amount will reflect value of .48 acres of land to be acquired by Merus under Land Swap. Any personal property taxes with respect to this parcel will be excluded from base taxes. (See Item 1 on Schedule 1)

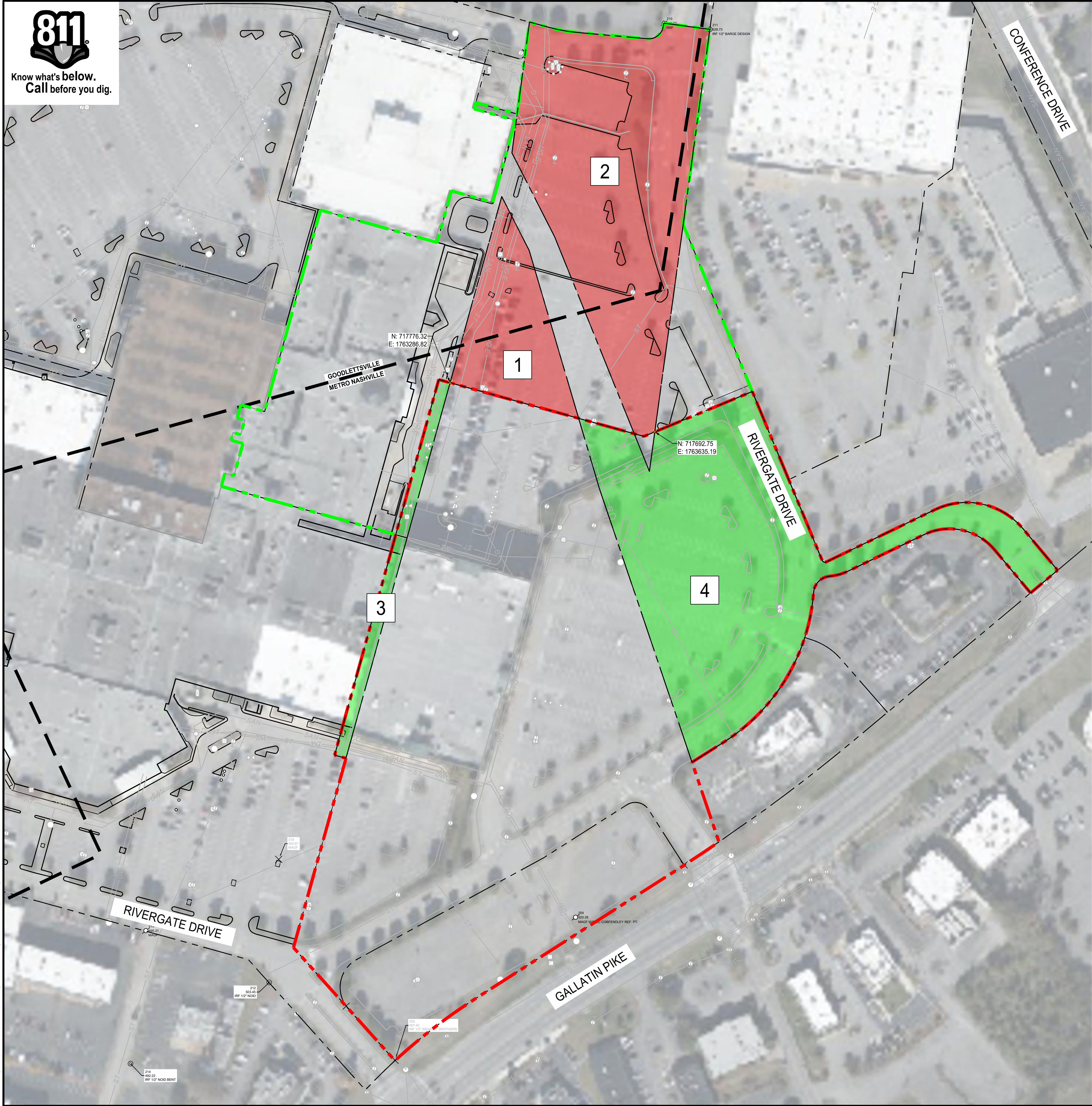
***** Parcel is subject to Land Swap. Base year tax amount will reflect value of 2.59 acres of land to be acquired by Merus under Land Swap. Any personal property taxes with respect to this parcel will be excluded from base taxes. (See Item 2 on Schedule 1)

***** Parcel is subject to Land Swap. Base year tax amount will reflect value of .7 acres of land to be acquired by Merus under Land Swap. Any personal property taxes with respect to this parcel will be excluded from base taxes. (See Item 2 on Schedule 1)

A depiction of the proposed Land Swap is attached as Schedule 1 to this Exhibit B. The base tax amount adjustments with respect to real property taxes described above will be made by allocating assessed land value in proportion to the acreage acquired or sold, as applicable. Base Taxes will be calculated based on the 2024 tax year.

Schedule 1 to Exhibit B

Friday, May 2, 2025 2:11 PM
C:\Users\jonesr\Documents\Projects\1371-03 Rivergate Master Plan\1371-03 Rivergate Master Plan.dwg



NOTE: ALL METES AND BOUNDS SHALL BE CONFIRMED BY SURVEYOR FOR THE REPLAT OF THE PARCELS TO COMPLETE THE LAND SWAP CLOSING.

1. DILLARD'S PARCEL 03402007700
0.92 ACRES TO BE SWAPPED WITH MERUS WITHIN THE FOLLOWING BOUNDARIES:

STARTING POINT:
N: 717776.32
E: 1763286.82

MEASURING FROM THE POINT DEFINED ABOVE:
N15°30'00"E 328.76'
S27°00'00"E 102.82'
S16°26'00"E 297.93'
N74°31'40"W 227.05'

2. DILLARD'S PARCEL 02614006100
3.29 ACRES TO BE SWAPPED WITH MERUS WITHIN THESE BOUNDARIES

STARTING POINT:
N: 717692.75
E: 1763635.19

MEASURING FROM THE POINT DEFINED ABOVE:
S67°30'19"W 20.15'
N74°31'40"W 17.05'
N22°00'00"W 360.99'
N27°00'00"W 160.51'
N7°38'27"E 224.55'
S74°47'14"E 34.50'
CH BEARING = S79°49'25"E CH = 48.28' L = 48.34' R = 275'
S84°51'36"E 120.44'
CH BEARING = N52°30'14"E CH = 33.87' L = 37.21' R = 25'
N10°23'26"E 6.05'
S82°19'38"E 78.94'
S7°46'40"W 335.31'
S7°48'00"W 355.84'

3. KDI, UNDER PSA WITH MERUS, PARCEL 03402007600
0.30 ACRES TO BE SWAPPED WITH DILLARD'S WITHIN THESE BOUNDARIES

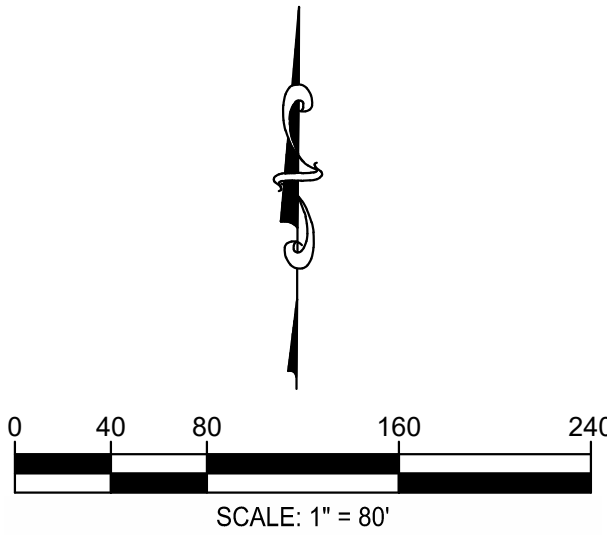
STARTING POINT:
N: 717776.32
E: 1763286.82

MEASURING FROM THE POINT DEFINED ABOVE:
S15°30'00"W 273.90'
S15°30'00"W 389.07'
N74°30'00"W 20.00'
N15°30'00"E 389.07'
N15°29'52"E 273.89'
S74°31'40"E 20.01'

4. KDI, UNDER PSA WITH MERUS, PARCEL 02614005200
3.91 ACRES TO BE SWAPPED WITH DILLARD'S WITHIN THESE BOUNDARIES

STARTING POINT:
N: 717692.75
E: 1763635.19

MEASURING FROM THE POINT DEFINED ABOVE:
N67°30'19"E 179.50'
S22°29'41"E 162.32'
S22°29'41"E 45.26'
S22°29'41"E 103.47'
CH BEARING = S69°04'50"E CH = 7.29' L = 8.17' R = 5'
N64°20'00"E 205.22'
CH BEARING = S77°45'02"E CH = 153.63' L = 165.44' R = 125'
S39°50'04"E 91.67'
S50°00'08"W 60.12'
N39°50'04"W 95.35'
CH BEARING = N77°45'03"W CH = 122.90' L = 132.35' R = 100'
S64°19'57"W 143.77'
CH BEARING = S74°36'07"W CH = 32.09' L = 32.26' R = 90'
CH BEARING = S44°32'55"W CH = 38.83' L = 42.23' R = 30'
CH BEARING = S30°57'53"W CH = 296.95' L = 308.01' R = 330'
S57°42'07"W 63.96'
N18°42'00"W 492.02'
N16°26'00"W 124.07'
S74°31'40"E 98.05'
S22°00'00"E 69.01'
N07°48'00"E 67.78'



FULMER LUCAS

2002 RICHARD JONES RD - SUITE B200
NASHVILLE, TENNESSEE 37215
INFO@FULMERLUCAS.COM - (615) 345-3770

NOT FOR
CONSTRUCTION
05.02.25

SITE DEVELOPMENT PLANS FOR:
RIVERGATE MASTER PLAN
1000 RIVERGATE PARKWAY
NASHVILLE, DAVIDSON COUNTY, TENNESSEE 37072

DR	DATE	DESCRIPTION

DILLARD'S
LAND SWAP
EXHIBIT

Exhibit C

Form of Development Agreement

**DEVELOPMENT AND TAX INCENTIVE AGREEMENT
(RIVERGATE MALL ECONOMIC DEVELOPMENT PROJECT)**

THIS DEVELOPMENT AND TAX INCENTIVE AGREEMENT (this “Agreement”) is made and entered into as of the ____ day of _____, 2025 (the “Effective Date”), by and between THE INDUSTRIAL DEVELOPMENT BOARD OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY, a public nonprofit corporation organized under Tenn. Code Ann. §§ 7-53-101, et. seq. (the “IDB”), and _____ [designated MERUS affiliate] (the “Developer”).

WHEREAS, the IDB desires to support job creation, economic growth and provide for the development of certain under-improved areas within The Metropolitan Government of Nashville and Davidson County (the “Metropolitan Government”); and

WHEREAS, the IDB has prepared and approved an economic impact plan (the “Economic Impact Plan”) regarding the development of a mixed-use development, which is expected to include a number of different components, such as multifamily housing, townhomes for sale, senior housing, retail, restaurants, sports and entertainment facilities, a medical office building, general offices, and hotels, as more fully described in the Economic Impact Plan (collectively, the “Project”); and

WHEREAS, the Economic Impact Plan has previously been approved by the Metropolitan Council of the Metropolitan Government; and

WHEREAS, the area that is the subject of the Economic Impact Plan is shown on Exhibit A attached hereto (the “Plan Area”); and

WHEREAS, Developer intends to redevelop the Plan Area in accordance with the general concept plan attached hereto as Exhibit A (the “Concept Plan”); and

WHEREAS, the IDB and Developer agreed to enter into this Agreement to evidence (i) Developer's commitment to undertake certain public infrastructure that is necessary and/or desirable for the undertaking of the Project and the development of the Plan Area; (ii) Developer's obligation to undertake the development of affordable senior housing units and connectivity improvements; (iii) the IDB's commitment to reimburse Developer for costs relating to the cost of such public infrastructure subject to the limitations in this Agreement; (iv) Developer's commitment to use its commercially reasonable efforts to undertake the Project; and (v) other agreements of the parties related to the undertaking of the Project and the development of the Plan Area.

NOW, THEREFORE, in consideration of the terms, conditions and mutual agreements by and between the parties, as hereinafter set forth in detail, the parties do hereby mutually agree as follows:

1. Representations and Warranties of Developer. Developer represents and warrants for the benefit of the IDB and the Metropolitan Government as follows:

(a) Organization. Developer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, is in compliance with the laws of the State of Tennessee, and has the power and authority to own its properties and assets and to carry on its business in the State of Tennessee as now being conducted and as hereby contemplated.

(b) Authority. Developer has the power and authority to enter into this Agreement and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by Developer.

(c) Binding Obligations. This Agreement is a legal, valid and binding obligation of Developer enforceable against Developer in accordance with its terms, subject to applicable insolvency laws and equitable principles.

(d) No Litigation. No litigation at law or in equity or proceedings before any governmental agency involving the Developer is pending or, to the knowledge of the Developer, threatened in which any judgment or order would have a material adverse effect on the performance of the Developer's obligations hereunder.

(e) No Default. Developer is not in default under or in violation of, and the executions, delivery and compliance by Developer with the terms and conditions of this Agreement will not conflict with or constitute or result in a default under or violation of, (i) any material agreement or other instrument to which Developer is a party or by which it is bound, or (ii) any constitutional or statutory provisions or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over Developer or its property, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation.

2. Representations and Warranties of the IDB.

(a) Organization. The IDB is a non-profit, public corporation duly organized, validly existing and in good standing under the laws of the State of Tennessee, is in compliance with the laws of the State of Tennessee, and has power and authority to own its properties and assets and to carry on its business in the State of Tennessee as now being conducted and as hereby contemplated.

(b) Authority. The IDB has the power and authority to enter into this Agreement and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by the IDB.

(c) Binding Obligations. This Agreement is a legal, valid and binding obligation of the IDB enforceable against the IDB in accordance with its terms, subject to applicable insolvency laws and equitable principles.

(d) No Litigation. No litigation at law or in equity or proceedings before any governmental agency involving the IDB is pending or, to the knowledge of the IDB, threatened in which any judgment or order would have a material adverse effect on the performance of the IDB's obligations hereunder.

(e) No Default. The IDB is not in default under or in violation of, and the execution, delivery and compliance by the IDB with the terms and conditions of this Agreement will not conflict with or constitute or result in a default under or violation of, (i) any material agreement or other instrument to which the IDB is a party or by which it is bound, or (ii) any constitutional or statutory provisions or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the IDB or its property, and no event has occurred

and is continuing which with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation.

3. Construction of Public Infrastructure.

(a) Developer shall cause to be prepared, from time to time, the plans and specifications for the Public Infrastructure, as defined below, to be constructed in the Plan Area. The plans and specifications shall be approved by the appropriate departments of the Metropolitan Government and by any other governmental entities that are required to approve such plans and specifications (as so approved, the "Approved Plans"). For purposes of this Agreement, "Public Infrastructure" shall mean (i) roads, sidewalks, parks, greenways, utilities and other improvements that benefit all properties within the Project, including any building demolition and site preparation work required in order to construct any of such facilities, as certified by an independent engineer or architect engaged by the Developer with respect to the Project (the "Common Infrastructure"), and (ii) utility improvements and storm water and drainage improvements that will be located on private property ("Parcel-Specific Infrastructure"). The IDB will defer to the Metropolitan Government in determining the specific components of Public Infrastructure that are required for the Project, and the IDB shall rely on the Metropolitan Government's approval of the Approved Plans to indicate the Metropolitan Government's acceptance that the Approved Plans constitute all required components of the Public Infrastructure.

(b) All such construction of the Common Infrastructure shall be in accordance with the Approved Plans. Developer shall not make any material changes to the Approved Plans relative to the Common Infrastructure without the prior written approval of the Metropolitan Government.

(c) Upon completion of the Public Infrastructure, Developer shall provide to the IDB and the Metropolitan Government a detailed list of the costs incurred by Developer (the "Certified Costs") in connection with the design and construction of the Public Infrastructure to the extent, as to any cost, that Developer desires to be reimbursed from Allocated Revenues, as defined in the Economic Impact Plan. Developer shall certify the accuracy of such costs in such manner as is reasonably requested by the IDB, and Developer shall provide such documentation supporting such costs as may be reasonably requested by the IDB. If applicable, Developer shall cause the Common Infrastructure to be dedicated or conveyed, upon completion, to the appropriate governmental entity in accordance with that entity's policies and procedures.

(d) In connection with undertaking the construction of the Common Infrastructure, Developer shall obtain or cause to be obtained any performance and payment bonds required by the Metropolitan Government to secure the completion of the Common Infrastructure and the payment of the subcontractors undertaking the Common Infrastructure. Developer shall provide for the IDB to be an additional obligee under such performance and payment bonds if required by the Metropolitan Government unless, provided that if Developer's construction lender is also an obligee, the IDB shall enter into such agreements as the lender may reasonably request relating to the enforcement of remedies under such bonds.

4. Development of Plan Area.

(a) Developer shall diligently pursue the development of the Project generally consistent with the Concept Plan and shall use its commercially reasonable efforts to complete the

development of the Project and the Plan Area consistent with the Concept Plan. It is acknowledged and agreed that it is expected that the Concept Plan will be modified from time to time by the Approved Plans, and the Approved Plans shall prevail as to any inconsistency between such documents. In furtherance of the foregoing, Developer may cause the subdivision of the lots in the Plan Area and may sell such subdivided lots to various third party or affiliated developers (each a "Project Developer"), which will construct various components of the Project and other capital improvements in the Plan Area. Developer will comply with, and will provide in its agreements with any Project Developer that each Project Developer will comply with, all zoning regulations of the Metropolitan Government and/or the City of Goodlettsville applicable to the Plan Area; and Developer will not seek, and will provide in its agreements with any Project Developer that such Project Developer will not seek, variances from such zoning requirements to the extent that such a variance would materially deviate from the urban design, density and walkability, and general aesthetic look provided in such regulations.

(b) The parties acknowledge that the development of the Plan Area will take several years and will be undertaken by Developer and multiple Project Developers. Developer shall provide the IDB and the Metropolitan Government with annual reports as to the status of the development of the Project and the Plan Area and shall make such presentations to the governing bodies of the IDB and the Metropolitan Government from time to time as may be reasonably requested by the IDB or the Metropolitan Government.

(c) In causing the development of the Plan Area, Developer shall utilize the services of Project Developers with expertise and experience in areas such as specialized retail, multi-family residential rental housing, senior housing, hotels, medical offices and entertainment facilities to develop those components of the Project so that the Project will be of first-class quality for northeast Davidson County and consistent in quality with the Concept Plan.

5. Reimbursement from Allocated Revenues.

(a) Subject to the limitations described herein, and subject to the possible use of Tax Increment Financing (as defined in Section 12), the Allocated Revenues, as defined in the Economic Impact Plan, shall be applied to reimburse Developer for Certified Costs. The IDB shall be under no obligation to reimburse the Developer for Certified Costs other than from Allocated Revenues. The IDB shall not be required to reimburse Developer for any Certified Costs that are not costs of public infrastructure, as defined in Chapter 23 of Title 9 of the Tennessee Code Annotated.

(b) Subject to the foregoing and the limitations, the IDB shall reimburse Developer solely from the Tax Increment Fund, as defined in Section 7(a) below, on or before May 1st of each year from amounts that are on deposit in the Tax Increment Fund. Upon the written request of Developer, if delinquent taxes are allocated to the Tax Increment Fund, and subject to the limitations below, the IDB shall apply such delinquent taxes to reimburse Developer within thirty (30) days of receipt by the IDB.

(c) Notwithstanding anything herein to the contrary, including the issuance or incurrence of any Tax Increment Financing pursuant to Section 12 hereof, in no event shall the total amount of Net Tax Revenues, as defined in the Economic Impact Plan, applied to pay any costs related to this Agreement, including without limitation (A) the direct reimbursement of Certified Costs, (B) the payment of debt service on any Tax Increment Financing and all other costs related

thereto and (C) any amounts set aside by the IDB to pay related administrative expenses, exceed \$42,000,000. For illustration purposes only, and not as any limit on any allocation under the Economic Impact Plan or hereunder, under current market conditions, it is expected that the allocation of \$42,000,000 of Net Tax Revenues would facilitate a tax increment financing that generates a grant to the Developer in the approximate amount of \$22,500,000.

(d) The IDB shall not be required to reimburse Developer for Certified Costs submitted for reimbursement following the seventh (7th) anniversary of the Effective Date, in the case of Certified Costs attributable to Common Infrastructure. The foregoing time limitations shall be subject to extensions for a period of time equal to the delay in completion of an item of Public Infrastructure resulting from Excusable Delay. "Excusable Delay" shall mean any delay in performance due to strikes, lockouts, or other labor or industrial disturbance, civil disturbances, labor shortages, supply chain shortages, transportation interruptions, pandemics, epidemics, quarantines, future order of any government, court or regulatory body claiming jurisdiction, act of the public enemy, war, riot, sabotage, blockade, embargo, lightning, earthquake, fire, hurricane, tornado, flood, washout, explosion, unusually inclement weather, or moratorium or other unusual delay in obtaining necessary governmental permits or approvals (with Developer using commercially reasonable efforts to obtain the same) to the extent that in each case of Excusable Delay, Developer has notified the IDB in writing, within ninety (90) days after the occurrence constituting Excusable Delay, with a detailed description of the circumstances causing the Excusable Delay and the anticipated number of days by which performance is delayed as a result of the Excusable Delay event.

(e) The IDB shall not be required to reimburse Developer for Certified Costs submitted for reimbursement following the tenth anniversary of the Effective Date, in the case of Certified Costs attributable to Parcel-Specific Infrastructure. The foregoing time limitations shall be subject to extensions for a period of time equal to the delay in completion of an item of Public Infrastructure resulting from Excusable Delay, as defined in subsection (d) above.

(f) The IDB shall not be required to reimburse Developer for any Certified Costs if this Agreement has been terminated (except as provided in Section 9 hereof).

(g) The IDB shall not be required to reimburse Developer for any Certified Costs following the completion deadline set forth in Section 6(d), unless and until the Developer shall have satisfied its obligations under Section 6(d). Likewise, the IDB shall not be required to reimburse Developer for any Certified Costs following the completion deadline set forth in Section 6(f), unless and until the Developer shall have satisfied its obligations under Section 6(f).

(h) In no event shall the provisions of subsection (d) - (g) allow the IDB to withhold Allocated Revenues to the payment of debt service on any then-outstanding Tax Increment Financing.

6. Other Developer Obligations. Developer furthermore agrees to the following:

(a) Developer shall not discriminate upon the basis of race, color, creed, sex, handicap or national origin in the sale, lease or rental of or in the construction of the Project, including the Public Infrastructure.

(b) Developer shall reimburse the IDB and the Metropolitan Government for all reasonable advisory or legal fees and expenses, including general and special counsel and advisory fees and expenses, actually incurred in connection with negotiating and preparing the Economic Impact Plan, this Agreement and any tax increment financing, and any litigation or governmental proceeding challenging the validity or the application of any term of the Economic Impact Plan or this Agreement; provided that the maximum amount of fees and expenses incurred prior to the Effective Date for which the IDB and the Metropolitan Government may seek reimbursement is \$40,000.

(c) In satisfaction of its obligations under Section 2.211.030 of the Metropolitan Code of Laws, the Developer will utilize the assistance available pursuant to Metropolitan Government's workforce development program with the goal of ensuring that reasonable efforts are made to hire or utilize residents of Davidson County for the construction of the Project. The Developer and each purchaser of property from the Developer in the Plan Area shall be required to comply with such reporting requirements as may be imposed by the IDB to monitor the Developer's compliance with this subsection (c).

(d) The Developer and/or the applicable Project Developer will, not later than seven (7) years from the Effective Date of this Agreement (subject to Excusable Delay, as defined in Section 5(d) above) commence construction of a senior housing facility and incorporate into that facility not less than 80 units of age-restricted housing for seniors with an annual household income of between 50% and 80% of the area median income (AMI). Notwithstanding the foregoing, if the Developer and/or the applicable Project Developer of the senior housing component of the Project is unable to secure Low-Income Housing Tax Credits (LIHTCs) for these 80 units through the Tennessee Housing Development Agency ("THDA"), then the Developer and/or the applicable Project Developer will, within the time frame set forth above, cause to be constructed a senior living facility as part of the Project of approximately 172 units with at least 10% of the units reserved at all times during the term of the allocation of Allocated Revenues hereunder for residents with an annual household income between 80% and 100% of AMI. With respect to the pursuit of LIHTCs, the Developer and/or the applicable Project Developer will (a) apply to THDA for both 9% and 4% LIHTCs not less than two times; and (b) provide the Metropolitan Government with a copy of all LIHTC application materials. The affordable housing requirement in this Section shall be recorded as an encumbrance on any parcel on which senior housing is constructed, but shall expire and be of no further force and effect once Allocated Revenues are no longer being paid to the IDB pursuant to the Economic Impact Plan.

(e) All buildings constructed on parcels in the Plan Area by Developer shall, during the term Developer receives Incremental Revenues, be built to LEED silver standards but not certified, or otherwise comply with "green" standards where feasible proposed by the Developer and subject to the approval of the IDB, which approval shall not be unreasonably withheld. Additionally, Developer shall provide in its agreements with any Project Developer that each Project Developer shall build any buildings to the same standards.

(f) Provided that WeGo provides the Developer with sufficient design and location parameters within ten years of the Effective Date, the Developer shall, within 36 months of having been provided with those parameters, construct those multi-modal transit and transportation improvements listed on Exhibit B.

7. IDB Obligations. In reliance upon Developer's agreement to construct the Public Infrastructure and use its commercially reasonable efforts to undertake the Project and develop the Plan Area, and its other obligations hereunder, the IDB hereby agrees to the following:

(a) The IDB will establish and maintain a separate and special fund of the IDB to be known as the Rivergate Tax Increment Fund (the "Tax Increment Fund"), to be kept separate and apart from all other funds of the IDB, pursuant to the requirements of Tenn. Code Ann. § 7-53-314, into which will be deposited all Net Tax Revenues allocated to the IDB pursuant to the Economic Impact Plan. Notwithstanding the foregoing, in accordance with Section 6(a)(iv) of the Economic Impact Plan, the IDB shall set aside an amount of Net Tax Revenues otherwise allocable to the IDB in a year to pay, or reimburse the IDB or the Metropolitan Government for the prior payment of, the reasonable third-administrative expenses related to the Plan and any tax increment financing incurred thereunder. Administrative expense shall include, without limitation, the maintenance of records regarding the calculation of incremental tax revenues, the preparation of any continuing disclosure reports required by applicable law, and any bond trustee fees. The amount set aside by the IDB in any year shall not exceed the least of (i) the amount of invoiced third-party administrative expenses then due and payable (or previously paid), (ii) the sum of (A) \$25,000 and (B) the aggregate amount by which each prior annual payment of administrative expenses was less than \$25,000, or (iii) 5% of Net Tax Revenues for such year. If the Developer elects, from time to time, to provide the IDB with all or a portion of such administrative services, any third-party expenses incurred by the IDB related to the work product provided by the Developer shall be limited to those expenses necessary to review and complete the Developer's work product for its intended purpose.

(b) The IDB shall not pledge or otherwise obligate the Allocated Revenues to the payment of any indebtedness other than any Tax Increment Financing that may be issued as provided in Section 12 below. The IDB shall not apply the Allocated Revenues for any purposes other than the reimbursement of Certified Costs or the payment of debt service on any Tax Increment Financing that is issued in accordance with Section 12 below. If the Allocated Revenues exceed the amounts required to be applied under Section 5 or Section 12, then such Allocated Revenues shall be applied by the IDB to the prepayment of debt service on any Tax Increment Financing.

8. Events of Default.

(a) The occurrence and continuance of any of the following events shall constitute a "Developer Event of Default":

(i) failure of Developer to perform any of its obligations under this Agreement after written notice is given to Developer of such failure and Developer has not cured such failure within sixty (60) days of such notice; or

(ii) any material representation, warranty, certification or other statement made or deemed made by Developer in this Agreement or in any statement or certificate at any time given by Developer in writing pursuant hereto or thereto or in connection herewith or

therewith shall be false in any material respect as of the date made; or

(iii) a court of competent jurisdiction shall enter a decree or order for relief in respect of the Developer in an involuntary case under any applicable bankruptcy, insolvency or similar law now or hereafter in effect, which decree or order is not stayed, or any other similar relief shall be granted under any applicable federal or state law; or (ii) an involuntary case shall be commenced against the Developer under any applicable bankruptcy, insolvency or similar law now or hereafter in effect; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over the Developer, as the case may be, or over all or a substantial part of its property, shall have been entered; or there shall have occurred the involuntary appointment of an interim receiver, trustee or other custodian of the Developer for all or a substantial part of its property; or a warrant of attachment, execution or similar process shall have been issued against any substantial part of the property of the Developer, and any such event described in this clause (ii) shall continue for sixty (60) days without having been dismissed, bonded or discharged; or

(iv) The Developer shall have an order for relief entered with respect to it or shall commence a voluntary case under any applicable bankruptcy, insolvency or similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case or to the conversion of an involuntary case to a voluntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property; or the Developer shall make any assignment for the benefit of creditors, or the Developer shall be unable, or shall fail generally, or shall admit in writing its inability, to pay its debts as such debts become due; or the Developer shall adopt any resolution or otherwise authorize any action to approve any of the actions referred to herein or in subsection (c) above.

(b) The occurrence and continuance of any of the following events shall constitute an "IDB Event of Default":

(i) failure of the IDB to perform any of its obligations under this Agreement after written notice is given to the IDB of such failure and the IDB has not cured such failure within ten (10) days of such notice; or

(ii) any material representation, warranty, certification or other statement made or deemed made by the IDB in this Agreement or in any statement or certificate at any time given by the IDB in writing pursuant hereto or thereto or in connection herewith or therewith shall be false in any material respect as of the date made.

9. Remedies.

(a) If a Developer Event of Default occurs hereunder, the IDB may (a) terminate this Agreement, following notice to Developer and opportunity to cure as provided above, at which time all of the rights and privileges of Developer hereunder shall cease and be of no further force or effect, and/or (b) pursue whatever other remedies are available at law or in equity which are necessary or desirable to effect the purposes of this Agreement. Under no circumstances shall the Developer be liable for any special or consequential damages, all of which are hereby waived by the

IDB. Upon any such termination, the IDB shall be relieved of its obligation to reimburse Developer for any Certified Costs; provided however, any Allocated Revenues pledged to secure the payment of Tax Increment Financing that is not held by the Developer or an affiliate thereof shall continue to be paid to the holder of such Tax Increment Financing (a "Lender") to the extent provided in the documents under which such Tax Increment Financing is issued. If a Lender has disclosed to the IDB the name, notice address, and contact person of the Lender in a written notice in the documents under which such Tax Increment Financing is issued, then the IDB shall send a duplicate copy of each notice under this Agreement to such Lender, and said Lender shall have the same opportunity to cure any default as Developer hereunder.

(b) If an IDB Event of Default occurs hereunder, the Developer may (a) terminate this Agreement, following notice to the IDB and opportunity to cure as provided above, at which time all of the rights and privileges of IDB hereunder shall cease and be of no further force or effect, and/or (b) pursue whatever other remedies are available at law or in equity which are necessary or desirable to effect the purposes of this Agreement. Upon any such termination, the Developer shall be relieved of its obligations to construct the public improvements, develop the Project, or to perform the other developer obligations under Sections 3, 4 and 6 hereof. However, any Allocated Revenues pledged to secure the payment of Tax Increment Financing shall continue to be paid to the Lender to the extent provided in the documents under which such Tax Increment Financing is issued.

10. Waiver. No failure by the IDB to exercise any right, remedy, or option under this Agreement or any present or future supplement hereto, or delay by the IDB in exercising the same, will operate as a waiver thereof. No waiver by the IDB will be effective unless it is in writing, and then only to the extent specifically stated. No waiver by the IDB on any occasion shall affect or diminish the IDB's rights thereafter to require strict performance by Developer of any provision of this Agreement. The IDB's rights under this Agreement will be cumulative and not exclusive of any other right or remedy which the IDB may have.

11. Certification. Developer certifies, to the best of its knowledge and belief, that it and its principals:

(a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal, state, or local department or agency;

(b) have not within a three (3) year period preceding this Agreement been convicted of, or had a civil judgment rendered against them for commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property or any other crime of moral turpitude;

(c) are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in subsection (b) above;

(d) have not within a three (3) year period preceding this Agreement had one or more public transactions (federal, state, or local) terminated for cause or default;

(e) have paid their state, local and federal taxes and do not have outstanding taxes that have not been paid by their delinquency date; and

(f) have not within a three (3) year period declared bankruptcy or defaulted on any bank loan.

12. Tax Increment Financing. Subject to any required approvals by the State of Tennessee or any department or office thereof, the IDB shall cooperate with Developer to finance the reimbursement of Certified Costs to Developer through the issuance of one or more series of notes or other debt obligations in an aggregate amount not exceeding the amount authorized by the Economic Impact Plan (the "Tax Increment Financing"), less any costs that have been previously reimbursed. Such Tax Increment Financing shall be payable from and secured by Allocated Revenues and any other sources provided by Developer. In no event shall the Metropolitan Government be required to guaranty or otherwise provide any source of payment, other than Allocated Revenues, for the payment of any Tax Increment Financing. Any Tax Increment Financing shall be issued on the following terms and conditions:

(a) The IDB will apply the Allocated Revenues in accordance with the Economic Impact Plan and this Agreement to make debt service payments under the Tax Increment Financing.

(b) The proceeds of the Tax Increment Financing shall only be applied to pay Certified Costs of the Public Infrastructure that have not been previously reimbursed, capitalized interest as permitted by law, any appropriate debt service reserve and all other costs related to closing of the Tax Increment Financing, subject to the limits contained in the Economic Impact Plan. All disbursements of proceeds shall be subject to the review of the IDB to confirm that such proceeds are applied to eligible costs under applicable state laws.

(c) The Tax Increment Financing shall mature no later than six (6) months after the expiration of the final allocation period, or until the receipt thereof as to any delinquent taxes, for any parcel in the Plan Area from which Allocated Revenues will be applied to pay debt service on the Tax Increment Financing.

(d) The terms of the Tax Increment Financing, including the interest rate thereon and the manner and terms pursuant to which the Tax Increment Financing is sold, shall be subject to the approval, not to be unreasonably withheld, of Developer and the IDB. The interest rate on any such Tax Increment Financing shall not exceed a market rate of interest in the reasonable judgment of a qualified financial adviser selected by the IDB, which financial adviser may be the financial adviser for the Metropolitan Government.

(e) Developer shall be responsible for arranging and paying all costs associated with the Tax Increment Financing to the extent not paid from the proceeds of the Tax Increment Financing.

(f) If the Developer or any other guarantor of any tax increment financing is required to make up any shortfall in a debt service payment due to inadequate tax increment revenues being available, the Developer or other guarantor may subsequently be reimbursed from Allocated Revenues to the extent not otherwise needed to pay debt service on any Tax Increment Financing.

(g) The documents pursuant to which each Tax Increment Financing is issued, including the notes or other debt obligations, related loan agreements and assignments of tax increment revenues, shall be in such form as is reasonably acceptable to both the IDB and Developer.

(h) No such Tax Increment Financing shall result in the limits on reimbursement contained in Section 5(c) hereof being exceeded.

(i) The Tax Increment Financing shall be non-recourse to the IDB, except to the extent payable from the Allocated Revenues.

(j) The IDB shall cooperate with the Developer to facilitate the refinancing of any outstanding Tax Increment Financing, subject to the foregoing conditions of this Section 12.

(k) Notwithstanding anything herein to the contrary, the IDB shall have no obligation to issue or incur any Tax Increment Financing while the IDB is not required to reimburse the Developer for Certificated Costs pursuant to the provisions of Sections 5(d), (f) and (g); provided that, in case of Section 5(d), this limitation shall expire upon the Developer's completion of the Common Infrastructure in accordance with the terms of this Agreement.

13. Commencement of Allocation Periods; Subdivision.

(a) On or prior to December 31st of each year, Developer shall give notice as to the tax parcels in the Plan Area as to which Developer desires to initiate the allocation period for any Net Tax Revenues for the following year. The IDB will confirm that the parcels identified by Developer are in the Plan Area and then will notify the Metropolitan Government of the tax parcels as to which the allocation period for Incremental Revenues shall commence in the following year. The allocation period for Net Tax Revenues shall commence not later than the earliest to occur of (i) the first full calendar year after completion of the vertical improvements on such parcel, or (ii) the 2035 calendar year, provided that if Developer does not give notice to the IDB to initiate the allocation for any tax parcel in compliance with the foregoing deadlines, then no allocation of Incremental Revenues shall commence as to such parcel.

(b) Within thirty (30) days of each subdivision of a tax parcel in the Plan Area, Developer shall give notice of such subdivision to the IDB together with the proposed allocation of base taxes with respect to such tax parcel among the subdivided parcels. The IDB will review the accuracy of the information submitted and shall then provide notice of such subdivision and the amount of the base taxes for each subdivided tax parcel to the Metropolitan Government.

(c) Notwithstanding anything herein to the contrary, the Developer may not initiate the allocation period for any tax parcels in the Plan Area while the IDB is not required to reimburse the Developer for Certificated Costs pursuant to the provisions of Sections 5(d), (f) and (g); provided that, in case of Section 5(d), this limitation shall expire upon the Developer's completion of the Common Infrastructure in accordance with the terms of this Agreement.

14. Cooperation. Each party shall cooperate with the other party to provide such assistance as may reasonably be requested in connection with the fulfillment of each of its respective obligations under this Agreement. Such cooperation shall include, without limitation, the best efforts of both parties to cause the cooperation and assistance of their respective employees,

agents, consultants, contractors and principals; provided that Developer acknowledges that the Metropolitan Government and its instrumentalities are independent from the IDB and that the IDB cannot guarantee their cooperation.

15. Insurance. Developer shall acquire and maintain during the term of this Agreement commercial general liability insurance covering claims for bodily injury, death and property damage in the amount not less than Two Million Dollars (\$2,000,000) per occurrence and Ten Million Dollars (\$10,000,000) in the aggregate. Developer may provide the coverage required herein through the use of a primary liability policy or through a combination of primary liability and umbrella excess liability policies. All required policies of insurance and any endorsements, renewals or replacements thereof shall be in form and substance satisfactory to the IDB, and shall be issued by a company licensed in the State of Tennessee and acceptable to the IDB. The IDB and the Metropolitan Government shall be named as additional insureds with respect to such liability policies. To the extent commercially reasonably attainable, all policies shall contain a written obligation on the part of the insurance carrier to notify the IDB in writing not less than thirty (30) days prior to the effective date of any cancellation or material modification of any such insurance coverage. At least thirty (30) days prior to the expiration date of any of the policies, Developer shall deliver to the IDB an insurance certificate establishing coverage in form satisfactory to the IDB.

16. Indemnity. Developer shall indemnify the IDB and the Metropolitan Government, their respective successors and assigns, and every director, officer, employee of the IDB and the Metropolitan Government (individually, an "Indemnitee") with respect to, and hold each Indemnitee harmless from and against, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, the fees and disbursements of counsel for any Indemnitee in connection with any investigative, administrative or judicial proceeding, whether or not such Indemnitee shall be designated a party thereto) which may be imposed on, incurred by, or asserted against such Indemnitee, in any way relating to or arising out of Developer's breach of this Agreement or the development of the Project or the Plan Area (but not to the extent relating to property in the Plan Area or part of the Project that is owned or developed by others or to the activities of the owners or developers thereof) (and in any event, other than as a result of a breach hereof by the IDB or the Metropolitan Government) ("Indemnification Liabilities"). Developer shall reimburse each Indemnitee on demand from time to time for all Indemnification Liabilities incurred by such Indemnitee. Each Indemnitee will promptly notify Developer of the commencement of any proceeding involving it in respect of which indemnification may be sought pursuant to this Section. The obligations of Developer under this Section shall survive the termination of this Agreement.

17. Boycott Prohibition. Developer hereby certifies to the IDB that Developer nor any of its wholly-owned subsidiaries, majority-owned subsidiaries, parent companies or affiliates are currently engaged in nor will they engage in a boycott of Israel during the term of this Agreement, as described by Section 12-4-119 of the Tennessee Code Annotated. For purposes of Section 12-4-119, "boycott of Israel" shall mean engaging in refusals to deal, terminating business activities, or other commercial actions that are intended to limit commercial relations with Israel, or companies doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel to do business, or persons or entities doing business in Israel, when such actions are taken (i) in compliance with, or adherence to, calls for a boycott of Israel, or (ii) in a manner that discriminates on the basis of nationality, national origin, religion, or other unreasonable basis, and is not based on a valid business reason.

18. Term. This Agreement shall be effective upon the Effective Date and shall remain in effect until the earlier of: (a) all Allocated Revenues that are pursuant to the Plan have been received and applied pursuant to this Agreement; (b) termination by mutual agreement of the parties or their successors and assigns; or (c) termination by the IDB upon an Event of Default. If this Agreement is terminated pursuant to clause (c) above, Developer shall pay to the IDB all costs incurred by the IDB in connection with the termination of this Agreement, including, but not limited to, reasonable attorneys' fees. The termination date of this Agreement may be extended by written mutual consent of the parties hereto.

19. Governing Law. This Agreement shall be governed and construed under and in accordance with the laws of the State of Tennessee and may not be modified or amended except in writing signed by all parties. Any legal venue for claims or actions arising from this Agreement shall be in the Metropolitan Government.

20. Assignment. Developer shall not engage in, permit or suffer any Transfer without the IDB's written consent. As used herein, the term "Transfer" shall mean any assignment, mortgage, pledge, hypothecation, encumbrance, lien or other transfer of Developer's rights under this Agreement or any interest under this Agreement, provide that notwithstanding the foregoing, Developer may grant a security interest and/or collaterally assign Developer's right to receive payments under this Agreement to secure financing of all or any portion of the Public Infrastructure. A change in the ownership interests in either entity constituting Developer due to one or more transfers of ownership interests shall be deemed to be a transfer or assignment prohibited by this Section unless after such change in ownership interests no change in control of the entity in question has occurred as compared to the ownership of such entity on the date of this Agreement. Developer shall provide such documentation as the IDB may reasonably request from time to time to demonstrate compliance with this Section. For purposes of this Section, "control" shall mean the possession of the power to direct or cause the direction of the management and policies of the entity in question.

21. Successors and Assigns. Subject to restrictions on assignment provided in Section 21 above, this Agreement shall inure to the benefit of and be binding upon the parties hereto and the successors and assigns of the parties.

22. Limitation of the IDB Liability; No Metropolitan Government Liability. THE LIABILITY OF THE IDB FOR ANY CLAIM OR JUDGMENT BY OR IN FAVOR OF DEVELOPER RELATING TO THIS AGREEMENT, THE PROJECT OR THE DEVELOPMENT OF THE PLAN AREA IN ANY MANNER IS EXPRESSLY LIMITED TO THE IDB'S INTEREST IN THE ALLOCATED REVENUES AND, OTHERWISE, THE IDB SHALL NOT HAVE ANY PECUNIARY LIABILITY UNDER THIS AGREEMENT FOR ANY ACT OR OMISSION OF THE IDB. NO OTHER PROPERTY OR ASSETS OF THE IDB SHALL BE SUBJECT TO LEVY, EXECUTION OR OTHER PROCEDURES FOR THE SATISFACTION OF REMEDIES OF DEVELOPER HEREUNDER OR RELATING HERETO. UNDER NO CIRCUMSTANCES SHALL THE IDB BE LIABLE FOR ANY SPECIAL OR CONSEQUENTIAL DAMAGES, ALL OF WHICH ARE HEREBY WAIVED BY DEVELOPER. NO RECOURSE SHALL BE HAD FOR ANY CLAIM BASED UPON ANY OBLIGATION, COVENANT OR AGREEMENT IN THIS AGREEMENT OR ANY TRANSACTION OR MATTER RELATING HERETO AGAINST ANY PAST, PRESENT OR FUTURE DIRECTOR, OFFICER, EMPLOYEE, COUNSEL, OR AGENT OF THE IDB, WHETHER DIRECTLY OR INDIRECTLY, AND ALL SUCH LIABILITY OF ANY SUCH INDIVIDUAL AS SUCH IS EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF AND IN CONSIDERATION FOR THE IDB ENTERING INTO THIS AGREEMENT. NOTWITHSTANDING THE

FOREGOING, THE PARTIES AGREE THAT DEVELOPER MAY ENFORCE THE TERMS OF THIS AGREEMENT THROUGH A CLAIM OF SPECIFIC PERFORMANCE. IN NO EVENT SHALL THE METROPOLITAN GOVERNMENT NOR ANY OF ITS OFFICERS, EMPLOYEES, COUNSEL OR AGENTS HAVE ANY LIABILITY FOR ANY OBLIGATION OF OR ANY BREACH BY THE IDB UNDER THIS AGREEMENT WHATSOEVER.

23. Notices. Any notices permitted or required to be given hereunder shall be given in writing and shall be delivered in person or sent by overnight courier service or by certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the IDB:

The Industrial Development Board of
The Metropolitan Government of Nashville and Davidson County
Historic Metro Courthouse, Suite 100
Nashville, Tennessee
Attention: Jamari Brown, Senior Director of
Economic and Community Development

with a copy to:

Metropolitan Department of Law
108 Metropolitan Courthouse
PO Box 196300
Nashville, Tennessee 37219
Attention: Tom Cross, Esq.

If to Developer:

Attention: _____

with a copy to:

Holland & Knight, PLLC
511 Union Street, Suite 2700
Nashville Tennessee 37219
Attn: Jon Cooper

Notices shall be effective only upon actual receipt or upon refusal to accept delivery by the intended recipient. Any party may change its notice address set forth above by giving notice of such change to the other party hereto.

24. Severability; Conflict with Plan. The invalidation of any one or more of the provisions of this Agreement or any part thereof by judgment of any court of competent jurisdiction shall not in any way affect the validity of any other such provisions of the Agreement but the same shall remain in full force and effect. If any provisions of this Agreement is in conflict with a provision of the Economic Impact Plan, the terms of the Economic Impact Plan shall control.

25. Amendments. This Agreement may be amended only by written mutual consent of the IDB and Developer.

26. No Government Limitation. This Agreement shall not be construed to bind any other agency or instrumentality of federal, State or local government in the enforcement of any regulation, codes or laws under its jurisdiction, including the Metropolitan Government.

27. Enforcement. The prevailing party in any action commenced due to a breach of this Agreement shall be entitled to receive from the other party reasonable attorneys' fees and court costs incurred in such action. Venue for any such litigation shall be Davidson County, Tennessee.

28. Time of the Essence. Time shall be of the essence in the performance of the terms and conditions of this Agreement.

29. Merger. This Agreement constitutes the complete and entire agreement among the parties with respect to the subject matter hereof, and all prior agreements and understandings are merged into this Agreement.

30. Third-Party Beneficiaries. The Metropolitan Government shall be express third-party beneficiaries of this Agreement. No other party shall be deemed a third-party beneficiary of this Agreement.

31. Approvals. Any approval that is required or may be provided by the IDB or the Metropolitan Government hereunder may be granted by a duly authorized representative of the IDB or the Metropolitan Government and not the governing body of such entity, unless specifically provided otherwise herein. For purposes of this Agreement, the duly authorized representative of the IDB shall be the duly elected Chair of the IDB or his or her designee, and the duly authorized representative of the Metropolitan Government shall be the duly elected Mayor of the Metropolitan Government, or his or her respective designee. Unless otherwise expressly provided herein, approvals and consents provided for hereunder shall not be unreasonably withheld, qualified or delayed.

32. Captions. All captions, headings, paragraph and subparagraph numbers and letters and other reference numbers or letters are solely for the purpose of facilitating reference to this Agreement and shall not supplement, limit or otherwise vary in any respect the text of this Agreement. All references to particular paragraphs and subparagraphs by number refer to the paragraph or subparagraph so numbered in this Agreement.

33. Business Day. If any date on which performance or notice is due under this Agreement should fall on Saturday, Sunday or any other day which is a holiday for the Metropolitan Government, performance or notice shall not be due until the next business day.

34. Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the IDB and Developer have caused this Agreement to be duly executed as of the date first above written.

THE IDB:

THE INDUSTRIAL DEVELOPMENT BOARD OF THE
METROPOLITAN GOVERNMENT OF NASHVILLE AND
DAVIDSON COUNTY

By: _____
Chair

ATTEST:

By: _____
Secretary

DEVELOPER:

By: _____
Title: _____

EXHIBIT A

THE PLAN AREA AND CONCEPT PLAN FOR THE PROJECT

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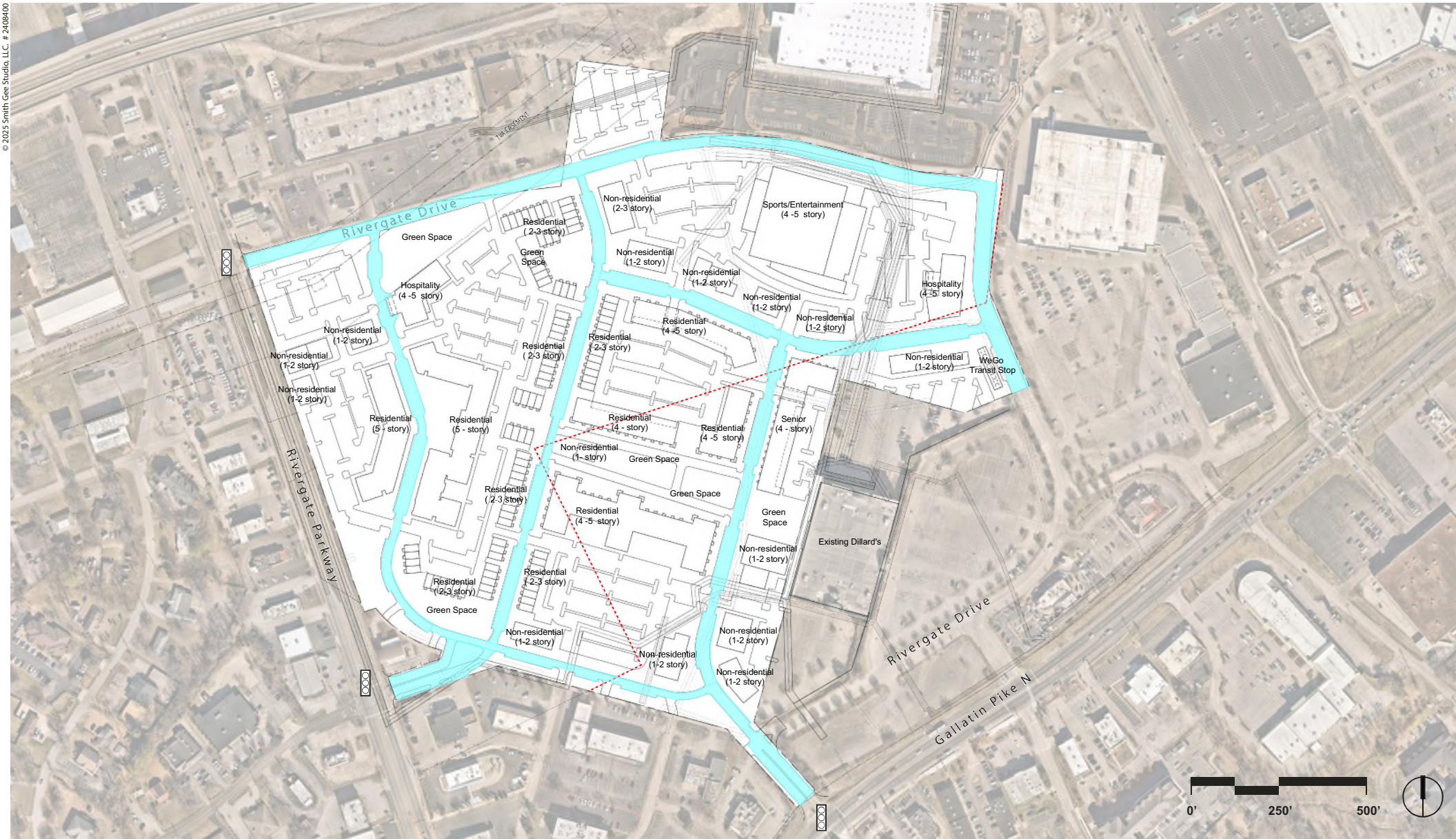


EXHIBIT B

CONNECTIVITY IMPROVEMENTS

1. The Developer shall provide a bus stop site (the “Site”) for a future connector route to serve Goodlettsville and surrounding areas, and connection to service on Gallatin Pike and future Bus Rapid Transit.
2. The Site shall be accessible to the development and comprise approximately 0.25 acres. If WeGo reasonably determines that a larger space is necessary for the Site, the parties agree to negotiate in good faith for WeGo to acquire such additional adjacent land from Developer as is necessary at fair market value. The Site must be large enough to accommodate up to two 40’ transit buses if needed, a bus shelter, and related passenger amenities. The dimensions of the passenger waiting area shall be at least 80’ x 8’ and shall include a 6” concrete pad (the “Pad”) flush with the tangent curb and adjoining sidewalks.
3. Developer will provide and pay for the Pad. WeGo will pay for all other bus stop development work including design, construction of the shelter and amenities, and any road reconstruction needed to accommodate the design. The Developer shall coordinate with WeGo to ensure proper interaction with the development site.
4. Understanding the critical need for safe access to transit service and infrastructure and to ensure a convenient and successful project, the Developer shall provide pedestrian access on lands controlled by Developer to the future Bus Rapid Transit stops on Gallatin Pike. All pedestrian routes shall be subject to WeGo’s review.
5. The Developer agrees to facilitate conversations with adjacent property owners and WeGo to identify space for the establishment of a park-and-ride facility in a convenient area for transit access to future Bus Rapid Transit and services to major events.

Exhibit D

Economic Impact Analysis

47133347.11

PREPARED FOR:

Merus, LLC
1222 Demonbreun St Suite 1200
Nashville, TN 37203

ECONOMIC IMPACT AND FISCAL BENEFIT ANALYSIS

RIVERGATE MALL REDEVELOPMENT
MERUS

APRIL 2025

PREPARED BY:



3126 W Cary Street, #409
Richmond, VA 23221
518.899.2608
www.camoinassociates.com

ABOUT THE STUDY

Merus, LLC retained Camoin Associates to measure the potential economic impacts and fiscal benefits of a proposed mixed-use redevelopment of the RiverGate Mall. This development is estimated to include 600 multifamily apartments, 94 townhomes, 172 senior housing units, 42,600 SF of food and beverage, 60,900 SF of retail, 75,000 SF of sports and entertainment, 20,000 SF of medical office, 10,000 SF of general office, and 240 hotel rooms (RiverGate or Project).

This analysis provides a complete assessment of the Project's total economic, employment, and tax impacts on Davidson County that result from the construction phase and on-site operations.

The primary tool used in this analysis is the input-output model developed by Lightcast. Primary data used in this study was obtained from the developer and included the following data points: construction spending, housing units, commercial real estate plans, and projected new jobs.

The economic impacts are presented in four categories: direct impact, indirect impact, induced impact, and total impact. The indirect and induced impacts are commonly called the "multiplier effect."

STUDY INFORMATION

Data Source:
Merus / Various Government Sources

Geography:
Davidson County

Study Period:
2024

Modeling Tool:
Lightcast

DIRECT IMPACTS

Initial round of impacts generated as a result of spending by new households and of new employment generated as a result of annual operation.

INDIRECT IMPACTS

Direct impacts have ripple effects through business-to-business spending. This spending results from the increase in demand for goods and services by industry sectors in the supply chain.

INDUCED IMPACTS

Impacts that result from the spending by employees and employees of suppliers. Earnings of these employees enter the economy as paychecks are spent on food, clothing, and other goods and services.



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The Impact of RiverGate Mall Redevelopment

The comprehensive redevelopment of this obsolete and deteriorating retail center represents a significant investment in Davidson County's future. The mixed-use project will deliver multifamily apartments, townhomes, and senior housing, creating diverse residential options for renters, owners, and seniors in the community. Additionally, this development will feature a destination sports and entertainment facility along with hotels, retail, medical, and general office spaces.

This strategic redevelopment is projected to generate substantial economic benefits for Davidson County, both during the construction phase and through ongoing operations. The project will create numerous employment opportunities and establish a new population base whose spending will support local businesses and strengthen the county's tax base.

Construction Impact Will Generate



**955 JOBS AND
\$99.9 MILLION**

in associated
earnings



**\$260
MILLION**

in new
sales



**OVER
\$337 MILLION**

in private sector
investment



**OVER
\$1.6 MILLION**

in construction phase
sales tax revenue

Annual Impacts of the Mall Redevelopment Will Generate



**1,069 NEW
PERMANENT JOBS**

with 538 directly employed at the
RiverGate redevelopment project



**OVER
\$66 MILLION**

in new annual earnings



OVER \$4.6 MILLION
in annual new county tax revenue

\$3.2 Million in Property Tax

\$330,000 in Sales Tax from New Households

\$184,000 in Sales Tax from Employee Earnings

\$900,000 in Hotel Tax Revenue

INTRODUCTION

Merus, LLC (the Developer) proposes a 56.5-acre redevelopment of the RiverGate Mall (Project), which will include residential units for sale and lease, senior housing, and commercial space for retail, office, hospitality, and entertainment options. Specifically, this Project proposes the construction of 600 multifamily units, 94 townhomes, 172 units of senior housing, 42,600 SF of food and beverage, 60,900 SF of retail, 75,000 SF of sports and entertainment, 20,000 SF of medical office, 10,000 SF of general office, and 240 hotel rooms. The Developer commissioned Camoin Associates to conduct an economic impact and fiscal benefit analysis of this Project on Davidson County (the County).

MODELING PROCESS

An economic impact analysis of the Project's construction and operations upon full build-out was conducted to quantify the impact of the Project on the local economy. The economic impact includes not only the "direct" economic impacts, such as on-site jobs but also the secondary economic impacts generated throughout the economy through economic "ripple" effects. The three specific types of impacts considered in the analysis include:

- **Direct:** The most immediate impacts include construction spending, on-site jobs, and net new resident spending on goods and services.
- **Indirect:** These effects occur when businesses within the geography that supply goods and services re-spend a portion of that revenue. In other words, for every dollar spent at a local supplier, a portion will again be spent on goods and services at other regional businesses. This is considered an indirect effect.
- **Induced:** Another "ripple" effect occurs when workers at both the Project and indirectly impacted businesses spend a portion of their wages on goods or services at businesses within the geographies. This portion of the spending by new businesses that are paid to workers and re-spent in the economy is the induced impact.

The sum of the direct, indirect, and induced impacts equals the total economic impact. The Lightcast input-output model calculates the total economic impact, including the three different types of impacts.

Modeling Software

Lightcast designed the input-output model used in this analysis. The Lightcast model allows the analyst to input the amount of new direct economic activity (spending, earnings, or jobs) occurring within the region and uses the direct inputs to estimate the spillover effects that the net new spending, earnings, or jobs have as these new dollars circulate throughout the economy. This is captured in the indirect and induced impacts and is commonly referred to as the "multiplier effect." See Attachment A for more information on economic impact analysis.

What does "Net New" Mean?

When looking at the economic impacts of an industry, it is important to look only at the economic changes that would not happen in the Project's absence. These effects are the "net new" effect: purchases made only as a result of the Project in question.

Definition of a "Job"

A job is any position where a worker provides labor in exchange for monetary compensation. This includes those who work as employees for businesses (i.e., "wage and salary" employees) and proprietors who work for themselves. Due to limitations of source data, both full- and part-time jobs are included and counted equally (i.e., job counts are not adjusted to full-time equivalents).

Definition of "Earnings"

Earnings refers to the total wages, salaries, supplements, and proprietor income generated by an industry within a given region.

Definition of "Sales"

Industry sales are the total annual sales (gross receipts) to other industries as intermediate inputs and to consumers as final demand.

ECONOMIC IMPACT ANALYSIS

The estimates of direct economic activity generated during the construction and operation phases of the Project were provided by the Developer and reviewed by Camoin Associates. These estimates were used as the inputs for the economic impact model. Camoin Associates used the input-output model designed by Lightcast to calculate total economic impacts. Lightcast allows the analyst to input the amount of new direct economic activity (spending or jobs) occurring within the county and uses the direct inputs to estimate spillover effects that net new spending or jobs have as these new dollars circulate through the Davidson County economy. This is captured in the indirect and induced impacts and is commonly called the “multiplier effect.” See Attachment A for more information on economic impact analysis.

The Project would impact the county’s economy through temporary construction-related spending, new permanent jobs on-site, and spending by new residents within the county.

IMPACTS OF NEW CONSTRUCTION

The Developer anticipates that private sector investment in the construction of the Project will cost over \$337.5 million. It is anticipated that 50% of this construction spending will be sourced from within the county¹. This represents a one-time construction spending stimulus of \$168,755,500 to the county during the Project's construction phase.

Table 1

Construction Development Assumptions

Space Use	SF / Units	Cost Per SF / Unit	Total Construction Cost
Multifamily (units)	600	\$195,000	\$117,000,000
Townhouses (units)	94	\$195,000	\$18,330,000
Senior Housing (Units)	172	\$215,000	\$36,980,000
Food and Beverage (sq ft)	42,600	\$300	\$12,780,000
Retail (sq ft)	60,900	\$190	\$11,571,000
Sports and Entertainment (sq ft)	75,000	\$500	\$37,500,000
Medical Office (sq ft)	20,000	\$510	\$10,200,000
General Office (sq ft)	10,000	\$275	\$2,750,000
Hotel (Units)	240	\$210,000	\$50,400,000
Site Work / Utilities			\$40,000,000
Total Construction Spending			\$337,511,000
Spending in Davidson County			50%
Total Construction Spending In Davidson County			\$168,755,500

Source: Merus, Camoin Associates, Lightcast

¹ An industry analysis of Davidson County finds that approximately 50% of the construction related purchases are currently sourced from within Davidson County. (Source: Lightcast, Camoin Associates)

The project's construction phase will result in a total of \$260 million in one-time construction-related spending, based on \$168,755,500 in net new direct construction expenditures outlined in Table 1. This spending will support 955 jobs throughout the county during the construction period and is expected to generate nearly \$100 million in earnings. Table 2 outlines the economic impacts of construction activity on Davidson County.

Table 2

One-Time Economic Impact - Construction

Davidson County			
	Jobs	Earnings	Construction Spending
Direct	542	\$67,232,462	\$168,755,500
Indirect	202	\$17,240,741	\$51,180,829
Induced	211	\$15,439,057	\$40,180,218
Total	955	\$99,912,260	\$260,116,548

Source: Lightcast, Camoin Associates

IMPACTS OF NEW HOUSEHOLDS**NEW HOUSEHOLDS**

The Project has a significant housing component, which includes 600 market-rate apartments, 94 owner-occupied townhomes, and 172 senior housing units. A large portion of this housing, ranging from 77% to 100%, is expected to be occupied by "net new" residents, meaning residents who did not previously live in apartments, townhomes, or senior housing in Davidson County. Table 3 details the proposed units and the estimated percentage of residents that will be "net new" to Davidson County for each proposed residential type.

Table 3

New New Households

Residential Type	Total Households	Percent "Net New"	Net New Households
Market Rate Housing	600	77%	462
Townhomes	94	79%	74
Senior Housing	172	100%	172
	866	82%	708

Source: Merus; Camoin Associates

SPENDING BY NEW HOUSEHOLDS

Adding 708 new households in Davidson County will contribute to local spending, which will vary based on the residents' incomes and typical expenditure patterns. We categorize spending baskets for different groups: market-rate housing residents, defined as those with incomes between \$70,000 and \$99,000; townhome residents with incomes ranging from \$100,000 to \$149,000; and senior households aged 65 to 74.

Table 4 presents the total new spending in Davidson County, broken down by these spending categories for the new residents. The overall net new spending in the county is calculated by multiplying the average spending in each category by the number of new households within that category. This analysis leads to \$17,478,546 in net new household spending in Davidson County.

Table 4

Spending Baskets By Household Type

Category	Spending Per Household	% Spent in County	Amount Spent in County	Total Household Spending
Renter Households (\$70,000-\$99,999 Annual Household Income), Southern United States, 462 Net New Households				
Food	\$8,578	91%	\$7,829	\$3,616,923
Household Furnishings	\$2,043	66%	\$1,341	\$619,683
Apparel and Services	\$1,893	81%	\$1,531	\$707,548
Transportation	\$12,445	67%	\$8,315	\$3,841,413
Health Care	\$1,972	96%	\$1,893	\$874,336
Education	\$801	95%	\$763	\$352,410
Entertainment	\$2,722	90%	\$2,444	\$1,129,006
Personal Care	\$1,012	85%	\$864	\$399,297
Miscellaneous	\$881	58%	\$514	\$237,459
Renter Household Spending Subtotal				\$11,778,075
Owner Households (\$100,000 - \$149,999 Annual Household Income), Southern United States, 74 Net New Households				
Food	\$10,808	91%	\$9,864	\$729,942
Household Furnishings	\$2,802	66%	\$1,840	\$136,132
Apparel and Services	\$2,213	81%	\$1,790	\$132,488
Transportation	\$17,140	67%	\$11,452	\$847,416
Health Care	\$2,216	96%	\$2,127	\$157,373
Education	\$1,193	95%	\$1,136	\$84,071
Entertainment	\$3,637	90%	\$3,265	\$241,625
Personal Care	\$1,095	85%	\$935	\$69,202
Miscellaneous	\$1,228	58%	\$716	\$53,015
Owner Household Spending Subtotal				\$2,451,264
Senior Households (Aged 65-75, Southern United States) 172 Net New Households				
Food	\$7,659	91%	\$6,990	\$1,202,297
Household Furnishings	\$115	66%	\$76	\$12,986
Apparel and Services	\$1,310	81%	\$1,060	\$182,290
Transportation	\$8,071	67%	\$5,392	\$927,492
Health Care	\$2,107	96%	\$2,022	\$347,794
Education	\$0	95%	\$0	\$0
Entertainment	\$2,498	90%	\$2,243	\$385,733
Personal Care	\$745	85%	\$636	\$109,436
Miscellaneous	\$809	58%	\$472	\$81,180
Senior Household Spending Subtotal				\$3,249,208
Combined Household Spending Total				\$17,478,546

Source: Lightcast, Bureau of Labor Statistics 2022 Consumer Expenditure Survey, Camoin Associates

For future analyses in this report, it is important to note that using the midpoint of the income ranges and the amount spent in the county, residents spend about 30% of their income locally.

IMPACT ANALYSIS

As calculated in Table 5, the net new households at the Project will spend \$17,478,546 each year in Davidson County. This total net new spending was used as the direct input into Lightcast's input-output model to determine the indirect, induced, and total impact of this net new household spending on Davidson County's economy.

Table 5

Annual Economic Impact of Net New Households

	<u>Davidson County</u>		
	Jobs	Earnings	Sales
Direct	124	\$5,617,522	\$17,478,546
Indirect	39	\$2,953,881	\$7,649,073
Induced	26	\$1,920,047	\$5,028,716
Total	189	\$10,491,450	\$30,156,335

Source: Lightcast, Camoin Associates

IMPACTS OF ON-SITE OPERATIONS

NEW JOBS

The Project is anticipated to include various use types, each supporting new employment. This employment is assumed to be 100% "net new" as these jobs would not exist in Davidson County without this Project. Table 6 shows the number of net new on-site jobs by land use type.

Table 6

On-Site Employment Assumptions

Space	Planned SF/Units	Est. SF Per Job / Unit Per Job	Est. Jobs Supported	Source
Food & Beverage	42,600	362	118	US EIA
General Retail	60,900	430	142	DPFG 2022
Sports & Entertainment	75,000	1,875	40	Merus
Medical Office	20,000	340	59	DPFG 2022
General Office	10,000	340	29	DPFG 2022
Hotel	240	0.5	120	Camoin Associates
Market Rate Units	600	35	17	Merus
Townhomes	94	94	1	Merus
Senior Housing	172	14	12	Merus
Total	208,500 SF / 866 Units		538 Jobs	

Source: US Energy Information Administration Commercial Buildings Energy Consumption Survey (US EIA), Merus, DPFG 2022, Camoin Associates

IMPACT ANALYSIS

The net new on-site job numbers from Table 6 were used as the direct input into Lightcast's input-output model to estimate the indirect and induced effects of the net new jobs on Davidson County. Table 7 details the estimated annual impact that new on-site activity will have on the county in terms of employment, earnings, and sales. This total sales number excludes net new households' spending on retail and entertainment expenditures to avoid double-counting of sales expenditures, as new residents will also be customers of the new retail offerings at the Project.

Table 7

Annual Economic Impact of On-Site Employment*

	Davidson County		
	Jobs	Earnings	Sales
Direct	538	\$29,570,336	\$78,612,953
Indirect	209	\$16,276,794	\$41,013,608
Induced	134	\$9,947,910	\$26,032,893
Total	881	\$55,795,040	\$145,659,454

Source: Lightcast, Camoin Associates

*Impact adjusted to exclude on-site spending by new households to avoid double counting

TOTAL ECONOMIC IMPACT

The total economic impact of new household spending and the total economic impact of on-site operations are combined and displayed in Table 8.

Table 8

Total Combined Annual Economic Impact

	Davidson County		
	Jobs	Earnings	Sales
Direct	662	\$35,187,858	\$96,091,499
Indirect	248	\$19,230,675	\$48,662,681
Induced	159	\$11,867,957	\$31,061,609
Total	1,069	\$66,286,490	\$175,815,789

FISCAL BENEFIT ANALYSIS

In addition to the economic impact the Project will have on the local economy (outlined above), there would also be a fiscal benefit. The following section of the report outlines the impact of the Project on the local taxing jurisdictions in terms of the cost and/or benefit to municipal budgets.

PROPERTY TAX PAYMENTS

Table 9 calculates the estimated final taxable assessed value upon completion of the proposed Project, broken out by property use type. The assessed value upon full build-out is estimated to be \$118,042,780.

Table 9

Estimated Property Assessed Value

Property Type	Estimated Assessed Value	Tax Assessed Value Percent	Estimated Tax Assessed Value
Food & Beverage	\$19,650,000	40%	\$7,860,000
General Retail	\$12,000,000	40%	\$4,800,000
Entertainment	\$6,563,200	40%	\$2,625,280
Office	\$8,640,000	40%	\$3,456,000
Hotel	\$30,720,000	40%	\$12,288,000
Market Rate Units	\$154,440,000	40%	\$61,776,000
Townhomes	\$40,500,000	25%	\$10,125,000
Senior Housing	\$37,781,250	40%	\$15,112,500
Total	\$310,294,450		\$118,042,780

Source: Provided by Merus with review by Camoin Associates.

Assuming a 4% increase before the first year of the Project's full build-out, the estimated assessed value will be \$122,764,491. With a property tax millage rate of 2.978, the estimated annual property tax revenue to the municipality in the first year of the Project's operations is \$3,656,418. This is \$3,226,418 more than the property's current contribution of \$430,000 in county taxes. Over a 20-year period, the difference between current property tax values (\$8,600,000) and the property tax revenue from the completed Project (\$83,928,171) is \$75,328,171 in additional tax revenue for the completed Project, and the present value of this benefit to the County is \$47,839,216. This is calculated in Table 10 below.

Table 10

Property Tax Comparison

Year	Property Tax Payments Without Project (A)**	Estimated Assessed Value With Project*	County Tax Millage Rate**	Property Tax Payment With Project (B)	Benefit of Project to County (B-A)
1	\$430,000	\$122,764,491	2.978	\$3,656,418	\$3,226,418
2	\$430,000	\$122,764,491	3.008	\$3,692,982	\$3,262,982
3	\$430,000	\$122,764,491	3.038	\$3,729,912	\$3,299,912
4	\$430,000	\$122,764,491	3.069	\$3,767,211	\$3,337,211
5	\$430,000	\$125,219,781	3.099	\$3,880,980	\$3,450,980
6	\$430,000	\$125,219,781	3.130	\$3,919,790	\$3,489,790
7	\$430,000	\$125,219,781	3.162	\$3,958,988	\$3,528,988
8	\$430,000	\$125,219,781	3.193	\$3,998,578	\$3,568,578
9	\$430,000	\$127,724,177	3.225	\$4,119,335	\$3,689,335
10	\$430,000	\$127,724,177	3.257	\$4,160,528	\$3,730,528
11	\$430,000	\$127,724,177	3.290	\$4,202,134	\$3,772,134
12	\$430,000	\$127,724,177	3.323	\$4,244,155	\$3,814,155
13	\$430,000	\$130,278,660	3.356	\$4,372,329	\$3,942,329
14	\$430,000	\$130,278,660	3.390	\$4,416,052	\$3,986,052
15	\$430,000	\$130,278,660	3.424	\$4,460,212	\$4,030,212
16	\$430,000	\$130,278,660	3.458	\$4,504,815	\$4,074,815
17	\$430,000	\$132,884,233	3.492	\$4,640,860	\$4,210,860
18	\$430,000	\$132,884,233	3.527	\$4,687,269	\$4,257,269
19	\$430,000	\$132,884,233	3.563	\$4,734,141	\$4,304,141
20	\$430,000	\$132,884,233	3.598	\$4,781,483	\$4,351,483
Total	\$8,600,000			\$83,928,171	\$75,328,171
Average	\$430,000			\$4,196,409	\$3,766,409
Present Value ***	\$5,593,413			\$53,432,628	\$47,839,216

Source: Merus, Camoin Associates

*Assumes 2% increase every four years.

**Assumes an annual 1% increase in property tax rate

***Assumes a discount rate of 4.5% based on 10-year Treasury Rate

SALES TAX REVENUE

ONE TIME SALES TAX REVENUE – CONSTRUCTION SPENDING

The one-time construction phase spending in Davidson County on materials would generate sales tax revenue for the County. The Davidson County general sales tax rate of 2.25% applies to all taxable retail sales, and there is an additional 0.50% local option transit surcharge, which brings the Davidson County total sales tax rate to 2.75%. This brings the general sales tax revenue collected on construction-related purchases in Davidson County to nearly \$1.4 million, as shown in Table 11.

Table 11

One-Time Sales Tax Revenue, Construction Phase, Materials	
Construction Phase Spending in Davidson County	\$168,755,500
Percent of Construction Phase Spending on Materials*	30%
New Construction Phase Spending in Davidson County on Materials	\$50,626,650
General Sales Tax Rate	2.25%
Davidson County	0.44%
Schools	1.81%
Local Option Transit Surcharge	0.50%
Total Sales Tax Rate	2.75%
Total Sales Tax Revenue	\$1,392,233
Davidson County Revenue	\$222,757
Schools Revenue	\$916,342
Local Option Transit Surcharge Revenue	\$253,133

Source: Merus, Camoin Associates, Tennessee Department of Revenue

* Percent of total construction cost from materials provided by Merus.

ONE TIME SALES TAX REVENUE – CONSTRUCTION EARNINGS

The one-time construction phase earnings (estimated to be \$99,912,260 from Table 2) will generate additional sales tax revenue for Davidson County, as a portion of those earnings is spent locally on taxable goods. To estimate the percent of the earnings that will be spent locally on taxable goods, the following assumptions were used:

- The Bureau of Economic Analysis produces personal consumption expenditures (PCD) data by state and by type of product. Using this data, it was determined that in 2023 approximately 40% of all consumer spending in Tennessee occurred in commonly taxable categories such as goods and food services. Therefore, it is assumed that 40% of new consumer spending generated as a result of this Project will be made on taxable categories.
- Based on the local spending basket detailed in Table 4 that combines information from the United States Bureau of Labor Statistics Consumer Expenditure Survey and Lightcast supply chain data, it was determined that approximately 30% of a household's income is spent within the county on goods and services.

Using the same tax rates as described above, the general sales tax revenue collected through additional spending associated with the construction phase of this Project to \$329,710, as outlined in Table 12 below.

Table 12

One-Time Sales Tax Revenue, Construction Phase, Earnings

Total Earnings	\$99,912,260
Amount of Earnings Spent in County (30%)	\$29,973,678
Amount Spent on Taxable General Sales (40%)	\$11,989,471
General Sales Tax Rate	2.25%
Davidson County	0.44%
Schools	1.81%
Local Option Transit Surcharge	0.50%
Total Sales Tax Rate	2.75%
Total Sales Tax Revenue	\$329,710
Davidson County Revenue	\$52,754
Schools Revenue	\$217,009
Local Option Transit Surcharge Revenue	\$59,947

Source: Camoin Associates, Lightcast, Tennessee Department of Revenue, US Bureau of Economic Analysis Personal Consumption Expenditures Data

ANNUAL SALES TAX REVENUE – NEW HOUSEHOLD SPENDING

In addition to the sales tax revenue generated by the construction phase, the County would also receive sales tax revenue from the purchases made by new households. Table 13 displays the new annual sales tax revenue to Davidson County attributable to this new household spending activity circulating through the economy. The household spending analysis already accounted for the percent of total spending occurring in Davidson County, therefore, that step is not taken here.

Table 13

Annual Sales Tax Revenue, Household Spending

Total New Sales from Household Spending Activity	\$30,156,335
Amount Spent on Taxable General Sales (40%)	\$12,062,534
General Sales Tax Rate	2.25%
Davidson County	0.44%
Schools	1.81%
Local Option Transit Surcharge	0.50%
Total Sales Tax Rate	2.75%
Total Sales Tax Revenue	\$331,720
Davidson County Revenue	\$53,075
Schools Revenue	\$218,332
Local Option Transit Surcharge Revenue	\$60,313

Source: Camoin Associates, Tennessee Department of Revenue, US Bureau of Economic Analysis Personal Consumption Expenditures Data

ANNUAL SALES TAX REVENUE – EMPLOYEE EARNINGS

The new earnings generated by the direct, indirect, and induced on-site jobs resulting from the Project's ongoing operations (described under Impacts of On-Site Employment, Table 7) would lead to additional annual sales tax revenue for the County. Table 14 displays the annual expected tax revenue from this employment gain following the same local spending on taxable goods methodology described above.

Table 14

Annual Sales Tax Revenue, Employee Earnings

Total New Earnings	\$55,795,040
Amount of Earnings Spent in Region (30%)	\$16,738,512
Amount Spent on Taxable General Sales (40%)	\$6,695,405
General Sales Tax Rate	2.25%
Davidson County	0.44%
Schools	1.81%
Local Option Transit Surcharge	0.50%
Total Sales Tax Rate	2.75%
Total Sales Tax Revenue	\$184,124
Davidson County Revenue	\$29,460
Schools Revenue	\$121,187
Local Option Transit Surcharge Revenue	\$33,477

Source: Camoin Associates, Lightcast, US Bureau of Economic Analysis Personal Consumption Expenditures Data, Tennessee Department of Revenue

HOTEL TAX REVENUE

The tax revenue from the proposed 240-room hotel is estimated based on average hotel occupancy rates (68%, according to CoStar) and average daily rate (\$180.80, according to Costar) for the Nashville Metropolitan Region². This information is summarized in Table 15 below and shows annual occupancy tax revenue totaling \$902,813 annually.

Table 15

Hotel Tax Revenue Estimate

Total Number of Hotel Rooms	240
Occupancy Percent	68%
Daily Occupied Hotel Rooms	163
Davidson County Nightly Fee (Per Room)	\$2.50
Daily Nightly Fee Revenue	\$408.00
Average Daily Rate	\$180.80
Daily Hotel Revenue	\$29,507
Davidson County Occupancy Tax Rate	7.0%
Daily Occupancy Tax	\$2,065
Total Daily Hotel Tax Revenue	\$2,473
Total Annual Hotel Tax Revenue	\$902,813

Source: Camoin Associates, CoStar, Merus, Metropolitan Collections Office

² Note: This is an average for all hotels in the Nashville MSA and is a conservative estimate of achievable rates.

TOTAL ANNUAL TAX REVENUE

The total annual new tax revenue to the County, including sales tax revenue, hotel tax revenue, and the year 1 property tax benefit, is summarized in Table 16.

Table 16

Total Annual Tax Revenue Benefit To Davidson County

Property Tax Benefit to County (Year 1)	\$3,226,418
Sales Tax From New Household Spending	\$331,720
Sales Tax From On-Site Operations Employee Earnings	\$184,124
Hotel Tax Revenue	\$902,813
Total Annual New County Tax Revenue	\$4,645,074

ATTACHMENT A: WHAT IS ECONOMIC IMPACT ANALYSIS?

The purpose of conducting an economic impact study is to ascertain the total cumulative changes in employment, earnings and output in a given economy due to some initial “change in final demand”. To understand the meaning of “change in final demand”, consider the installation of a new widget manufacturer in Anycounty, USA. The widget manufacturer sells \$1 million worth of its widgets per year exclusively to consumers in Canada. Therefore, the annual change in final demand in the United States is \$1 million because dollars are flowing in from outside the United States and are therefore “new” dollars in the economy.

This change in final demand translates into the first round of buying and selling that occurs in an economy. For example, the widget manufacturer must buy its inputs of production (electricity, steel, etc.), must lease or purchase property and pay its workers. This first round is commonly referred to as the “Direct Effects” of the change in final demand and is the basis of additional rounds of buying and selling described below.

To continue this example, the widget manufacturer’s vendors (the supplier of electricity and the supplier of steel) will enjoy additional output (i.e., sales) that will sustain their businesses and cause them to make additional purchases in the economy. The steel producer will need more pig iron and the electric company will purchase additional power from generation entities. In this second round, some of those additional purchases will be made in the US economy and some will “leak out”. What remains will cause a third round (with leakage) and a fourth (and so on) in ever-diminishing rounds of industry-to-industry purchases. Finally, the widget manufacturer has employees who will naturally spend their wages. Again, those wages spent will either be for local goods and services or will “leak” out of the economy. The purchases of local goods and services will then stimulate other local economic activity. Together, these effects are referred to as the “Indirect Effects” of the change in final demand.

Therefore, the total economic impact resulting from the new widget manufacturer is the initial \$1 million of new money (i.e., Direct Effects) flowing in the US economy, plus the Indirect Effects. The ratio of Total Effects to Direct Effects is called the “multiplier effect” and is often reported as a dollar-of-impact per dollar-of-change. Therefore, a multiplier of 2.4 means that for every dollar (\$1) of change in final demand, an additional \$1.40 of indirect economic activity occurs for a total of \$2.40.

Key information for the reader to retain is that this type of analysis requires rigorous and careful consideration of the geography selected (i.e., how the “local economy” is defined) and the implications of the geography on the computation of the change in final demand. If this analysis wanted to consider the impact of the widget manufacturer on the entire North American continent, it would have to conclude that the change in final demand is zero and therefore the economic impact is zero. This is because the \$1 million of widgets being purchased by Canadians is not causing total North American demand to increase by \$1 million. Presumably, those Canadian purchasers will have \$1 million less to spend on other items and the effects of additional widget production will be cancelled out by a commensurate reduction in the purchases of other goods and services.

Changes in final demand, and therefore Direct Effects, can occur in a number of circumstances. The above example is easiest to understand: the effect of a manufacturer producing locally but selling globally. If, however, 100% of domestic demand for a good is being met by foreign suppliers (say, DVD players being imported into the US from Korea and Japan), locating a manufacturer of DVD players in the US will cause a change in final demand because all of those dollars currently leaving the US economy will instead remain. A situation can be envisioned whereby a producer is serving both local and foreign demand, and an impact analysis would have to be careful in calculating how many “new” dollars the producer would be causing to occur domestically.

ATTACHMENT B: CALCULATING NET NEW HOUSEHOLDS

"Net new" households that move into a geography because of the availability of desired housing contribute to that geography's economy in measurable ways. Estimating the number of net new households, the households that would not otherwise live in the geography, is therefore a critical task for an economic and fiscal impact analysis for a Project that includes housing. Our housing market research indicates that housing is heavily affected by demand, with households in different demographic groups seeking diverse housing price points and amenities. Our estimates of net new households take into consideration demographic and economic differences among renters, and price points among units offered, identifying the existence and size of a housing gap (where more units are demanded than are available) or surplus (where there is oversupply) in the market segment to be served by a proposed Project. Generally, where there is a significant housing gap outside the geography but within a reasonable distance for relocation, a Project will draw a larger proportion of net new households into that geography. Therefore, Each Project may have a different expectation for net new households, depending on price point, age restriction, and location. The following steps outline our process for calculating net new households. All data is drawn from Esri Business Analyst.

1. Identify where households are likely to come from. We expect that renters for a new Project would consider housing within a reasonable driving time from their current location, creating a "renter-shed" for a new Project. Households within the drive time but outside the study area are net new.
2. Identify the existing rental housing supply at different price points. Using data from Esri, we identify rental housing units in the study area by price point and calculate the minimum household income expected to be necessary to afford rent by price range.
3. Identify the number of households at different income levels. We analyze households by income group and rental behavior to estimate an "implied number renting" for different income groups.
4. Calculate net housing surplus or gap by price point. Rental housing supply and rental housing demand is compared to calculate a "net gap," indicating excess demand for the Project, or a "net surplus." To estimate net new households for a Project, the net gap in the study area is compared to the net gap in the drive time.



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