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PILOT AGREEMENT

THIS PILOT AGREEMENT (the "**PILOT Agreement**") is made and entered into as of the 16 day of September, 2024, by and between the METROPOLITAN DEVELOPMENT AND HOUSING AGENCY ("**MDHA**") and ECG Trinity Flats, LP (the "**Owner**").

WITNESSETH:

WHEREAS, MDHA is a public body and a body corporate and politic organized under the Tennessee Housing Authorities Law, Tenn. Code Ann. §13-20-101, et seq., (the "**Act**");

WHEREAS, §13-20-104(f) of the Act provides that a metropolitan government may delegate to a housing authority the authority to negotiate and accept in lieu of ad valorem taxes ("**In Lieu of Tax Payments**") from a party that operates a low income housing tax credit ("LIHTC") property, as such term is defined in the Act (a "**LIHTC Property**") on property leased by such party from a housing authority;

WHEREAS, MDHA is the housing authority, as defined in the Act, for the Metropolitan Government of Nashville and Davidson County, Tennessee (the "**Metropolitan Government**");

WHEREAS, by Ordinance No. BL2015-1281 as amended by Ordinance No. BL2016-334 (collectively, the "**PILOT Ordinance**"), the Metropolitan Government (i) authorized MDHA to negotiate and accept In Lieu of Tax Payments from lessees of LIHTC Property owned by MDHA, and (ii) approved MDHA's program for determining qualifications and eligibility for such In Lieu of Tax Payments (the "**PILOT Program**");

WHEREAS, Owner has acquired land located at 869 West Trinity Lane, and more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the "**Project Site**");

WHEREAS, Owner intends to develop a 184 unit apartment project, known as Trinity Flats, on the Project Site and operate it as a LIHTC Property (the "**Project**");

WHEREAS, MDHA is authorized by law and has deemed it necessary and desirable to acquire the Project Site for the purpose of facilitating the Project in accordance with the PILOT Program, the PILOT Ordinance and the Act;

WHEREAS, the Board of Commissioners of MDHA approved MDHA's purchase of the Project Site and authorized the Executive Director of MDHA to take all actions on behalf of MDHA to undertake the following:

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(A) acquire the Project Site;

(B) enter into a lease with Owner pursuant to which Owner will (i) lease the Project Site and the Project from MDHA with MDHA having the right to cause Owner to purchase the Project Site and the Project from MDHA upon expiration of the tenth (10^{th}) Tax Year, (ii) rehabilitate the Project on the Project Site, and (iii) by recorded agreement, commit to operate the Project as a LIHTC Property in accordance with the requirements of the Internal Revenue Code and the Tennessee Housing Development Agency ("THDA") for a minimum period of fifteen (15) years after the Project is complete (the "**Project Lease**");

(C) enter into this PILOT Agreement;

(D) submit this PILOT Agreement to the Metropolitan Planning Commission to obtain a recommendation of approval or disapproval, as envisioned by the PILOT Ordinance;

(E) submit this PILOT Agreement to the Metropolitan Council of the Metropolitan Government (the "**Metropolitan Council**") for approval as required by the PILOT Ordinance; and

(F) take such other action and execute such other documents as the Executive Director deems necessary or desirable to facilitate rehabilitation of the Project and the transactions described above consistent with this PILOT Agreement, the Act, the Project Lease, the Metropolitan Ordinance and the PILOT Program (including MDHA's application and policies and procedures related thereto).

WHEREAS, MDHA intends to acquire the Project Site from Owner and will concurrently enter into the Project Lease; and

WHEREAS, Owner has agreed to make In Lieu of Tax Payments with respect to the Project as described herein.

NOW, THEREFORE, for and in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties hereto, and as an inducement to Owner to rehabilitate the Project and operate the Project as LIHTC Property, MDHA and Owner agree as follows:

1. With respect to Project Site and the real property component of the Project, Owner shall make In Lieu of Tax payments to MDHA who will then remit the payment to the Metropolitan Government, as follows:

(a) The In Lieu of Tax Payments shall be equal to the Applicable Ad

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Valorem Taxes, as defined below, through and including the calendar year in which the rehabilitation of the Project is completed.

(b) Commencing on January 1st of the calendar year following the year in which the Project is placed into service ("**Tax Year 1**") and each tax year subsequent to the Tax Year 1 (Tax Year 1 and each subsequent tax year being referred to herein as a "**Tax Year**") through the tenth (10th) Tax Year, in Lieu of Tax Payments shall be as follows:

1	$25,300
2	$26,059
3	$26,841
4	$27,646
5	$28,475
6	$29,330
7	$30,210
8	$31,116
9	$32,049
10	$33,011

Subject to Section 1(e) below, the In Lieu of Tax Payments shall be fixed and shall not fluctuate with the amount of the assessment for the Project Site or the Project or the tax rate in effect for any Tax Year. The amount of the In Lieu of Tax Payments is approximately equal to $138 per unit within the Project, with a three percent (3%) annual increase. In Lieu of Tax Payments for each Tax Year shall be paid when due but in any event not later than the date on which the Applicable Ad Valorem Taxes would become delinquent.

(c) After the tenth Tax Year, this Agreement shall expire and Owner shall pay 100% of the Applicable Ad Valorem Taxes.

(d) The term **"Applicable Ad Valorem Taxes"** shall mean any real property ad valorem taxes that, but for ownership of the Project Site and the Project by MDHA, would have been due and payable to the Metropolitan Government pursuant to Tenn. Code Ann. § 67-5-102 with respect to the Project Site and the Project.

(e) Notwithstanding anything contained herein to the contrary, if THDA or the IRS determines that the Project is not in compliance with LIHTC requirements and is therefore not operated as a LIHTC Property at any time

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during a Tax Year, and Owner has failed to cure such default within any specified cure period, Owner shall pay 100% of the Applicable Ad Valorem Taxes with respect to such Tax Year.

(f) Notwithstanding anything contained herein to the contrary, Owner shall pay 100% of the Applicable Ad Valorem Taxes for the periods before Tax Year 1 and after Tax Year 10, if the Project Lease is in effect during such periods.

2. Commencing in Tax Year 1 and in each Tax Year subsequent through the (10th) Tax Year, Owner shall provide to MDHA an annual report not later than September 1st of each Tax Year containing the following information:

(a) The value of the Project, as estimated by the Owner;

(b) The date and remaining term of the Project Lease;

(c) The amount of In Lieu of Tax Payments payable in such Tax Year;

(d) The date in which the Project is scheduled to return to the regular tax rolls and be eligible to pay 100% of the Applicable Ad Valorem Taxes following the tenth (10th) Tax Year;

(e) A calculation of the Applicable Ad Valorem Taxes for such Tax Year that, but for ownership of the Project Site and the Project by MDHA, would have been due and payable to the Metropolitan Government pursuant to Tenn. Code Ann. § 67-5-102 with respect to the Project Site and the Project;

(f) A copy of the Owner's most recent Annual Certification as submitted to THDA, certifying compliance with LIHTC requirements; and

(g) A copy of any monitoring or compliance reports provided by THDA to the Owner during such Tax Year.

3. Commencing with Tax Year 1 and each Tax Year thereafter, Owner shall pay to MDHA a monitoring and reporting fee to be set by MDHA but not to exceed five percent (5%) of the amount In Lieu of Tax Payment due with respect to such Tax Year (the "Annual MDHA Fee"). The Annual MDHA Fee shall be paid not later than fifteenth (15) day of such Tax Year. Unpaid amounts shall bear interest at the rate of four percent (4%) in excess of the average prime rate of interest published from time to time by the Federal Reserve or similar commonly accepted reporting organization if the Federal Reserve ceased to publish such information. Owner's failure to pay the Annual MDHA Fee within thirty (30) days after written notice from MDHA shall constitute a default under this PILOT Agreement in which event Owner shall pay 100% of the Applicable Tax Rate for such Tax Year instead of the In Lieu of

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Tax Payment set forth above.

4. Owner's payment of the In Lieu of Tax Payments shall satisfy the requirement in Tenn. Code Ann. § 67-5-206(a) that MDHA pay the Metropolitan Government for services, improvements or facilities furnished by the Metropolitan Government for the benefit of the Project.

5. This PILOT Agreement may not be assigned to any party other than the assignee of the lessee's interest under the PILOT Lease pursuant to an assignment that is made in accordance with the PILOT Lease, including MDHA consent requirements, if any, specified therein. Each permitted assignee shall assume Owner's obligations under this PILOT Agreement concurrent with the assignment of the PILOT Lease.

6. This PILOT Agreement shall be construed in accordance with the laws of the State of Tennessee, and if any one or more of the provisions of this PILOT Agreement shall be held invalid, illegal or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, legality or unenforceability shall not affect any other provision hereof, but this PILOT Agreement shall be construed the same as if such invalid, illegal or unenforceable provision had never been contained herein. This PILOT Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute one and the same instrument.

7. This PILOT Agreement is subject to and conditioned upon (i) approval of this PILOT Agreement by the Metropolitan Council as required by the PILOT Ordinance, (ii) Owner's satisfaction of all conditions and requirements imposed by MDHA in connection this PILOT Agreement or the transaction contemplated herein, (iii) MDHA taking title to the Property and entering into a mutually acceptable Project Lease, and (iv) THDA's approval of the Project and allocation of low income housing tax credits, to the extent such approval or allocation has not been received as of the date of this PILOT Agreement.

8. MDHA shall remit all In Lieu of Tax Payments received in connection with the Project and/or the Project Lease to the Metropolitan Government within fifteen (15) days of receipt.

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IN WITNESS WHEREOF, the parties hereto have executed this PILOT Agreement as of the day and date first above written.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

By: DocuSigned by: Troy D. White 1CA327FEFF2844E...

Title: Executive Director

ECG Trinity Flats, LP

By: DocuSigned by: Hunter Nelson 13BF95CFA7A44F6...

Title: Secretary

FILED WITH THE METROPOLITAN CLERK

Austin Kyle

Date

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EXHIBIT A

SITUATED within the 2nd Council District of Davidson County, Tennessee, being part of Lots 49, 50 & 51 on the Map of Part of Free Silver Plan, as of record in Book 332, Page 46, Register's Office for Davidson County, Tn and being more particularly bounded and described as follows:

COMMENCING at a point on the terminus of Day Street and at a common corner of property now or formerly belonging to DY Construction Inc (Inst #20210729 0102283), located North 86 Degrees 24 Minutes 49 Seconds East, a distance of 728.32 feet from the centerline intersection of Old Buena Vista Road & Day Street;;

Thence with the line of DY Construction Inc, North 85 Degrees 27 Minutes 16 Seconds East, a distance of 171.92 feet to a point at the common line of a property now or formerly belonging to O.I.C. Haynes Royale (Inst #20220524 0060008);

Thence leaving the line of DY Construction LLC and with the line of O.I.C. Haynes Royale and continuing with the line of a property now or formerly belonging to Charity Mission For Christ (Inst #20081022 0105746), North 86 Degrees 17 Minutes 41 Seconds East, a distance of 467.86 feet to the **POINT OF BEGINNING**;

Thence leaving the line of Charity Mission For Christ, North 03 Degrees 36 Minutes 35 Seconds West, a distance of 234.53 feet to a point;

Thence along a curve to the left having a radius of 217.00 feet, a chord bearing of North 13 Degrees 09 Minutes 55 Seconds West and a chord distance of 72.05 feet to a point;

Thence North 22 Degrees 43 Minutes 16 Seconds West, a distance of 304.55 feet to a point on the south line of Haynes View Subdivision (Book 3700 Page 71);

Thence with the south line of Haynes View Subdivision, North 66 Degrees 21 Minutes 10 Seconds East, a distance of 625.97 feet to a point on the west right of way line of an unnamed, unimproved road (Plat Book 332, Page 46)

Thence with the west right of way line of unnamed, unimproved road the following three (3) calls:

1. South 23 Degrees 22 Minutes 40 Seconds East, a distance of 258.32 feet to a 1/2" iron rod (Koonce 2290);

2. South 66 Degrees 36 Minutes 13 Seconds West, a distance of 128.98 feet to a 1/2" iron rod (Koonce 2290);

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3. South 05 Degrees 06 Minutes 35 Seconds East, a distance of 518.41 feet to a point on the north right of way line of West Trinity Lane;

Thence leaving the west right of way line of unnamed, unimproved road and with the north right of way line of West Trinity Lane along a curve to the left having a radius of 1468.39 feet, a chord bearing of South 86 Degrees 01 Minutes 23 Seconds West and a chord length of 435.75 feet to a point on the intersection of the north right of way line of West Trinity Lane and at a common corner of property now or formerly belonging to Charity Mission For Christ (Inst #20081022 0105746);

Thence leaving the north right of way line of West Trinity Lane and with the line of Charity Mission for Christ, South 86 Degrees 17 Minutes 41 Seconds West, a distance of 20.23 feet to the **POINT OF BEGINNING** and containing 356,074 sf or 8.174 acres more or less.

OMB Approval No. 2506-0112 (Exp. 6/30/2017)

Certification of Consistency with the Consolidated Plan

U.S. Department of Housing and Urban Development

I certify that the proposed activities/projects in the application are consistent with the jurisdiction's current, approved Con solidated Plan.

(Type or clearly print the following information:)

Applicant Name: ECG Trinity Flats, LP

Project Name: Trinity Flats

Location of the Project: 869 West Trinity Lane

Nashville, TN 37207

Name of the Federal Program to which the applicant is applying: 4% LIHTC

Name of Certifying Jurisdiction: MDHA

Certifying Official of the Jurisdiction Name: Emel Alexander

Title: Director of Community Development

Signature:

Date: 9/18/2024

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
Planning Department
Metro Office Building
800 Second Avenue South
Nashville, Tennessee 37201
615.862.7150
615.862.7209

Memo

To: MDHA

From: Metropolitan Nashville Planning Department

Date: September 10, 2024

Re: Planning Commission Recommendation for PILOT Agreement

This memo fulfills the Planning Commission obligations as outlined in the MDHA Housing Tax Credit PILOT Program General Program Description which was attached as Exhibit A to BL2016-435. The memo consists of two parts: the staff recommendation and a map.

PART I: RECOMMENDATION ON GENERAL PLAN CONSISTENCY

Project: **ECG Trinity Flats, LP (07007006300, 07003000700, 07003000600, 07007006200, 869 W Trinity Lane)**
250 multi-family units
Units targeting 60% of the Area Median Income (AMI)

Zoning: Specific Plan-Mixed Residential (SP-MU) is a zoning district category that provides for additional flexibility of design, including the relationship of streets to buildings, to provide the ability to implement the specific details of the General Plan. This Specific Plan includes a mixture of housing types.

Policy:
T4 Urban Residential Corridor (T4 RC) is intended to maintain, enhance, and create urban residential corridors. T4 RC areas are located along prominent arterial-boulevard or collector-avenue corridors that are served by multiple modes of transportation and are designed and operated to enable safe, attractive, and comfortable access and travel for all users. T4 RC areas provide high access management and are served by moderately connected street networks, sidewalks, and existing or planned mass transit.

Haynes Trinity Small Area Plan –The intent of the supplemental policy found in the Haynes Trinity Small Area Plan portion of the Bordeaux-Whites Creek-Haynes Trinity Community Plan area is to create and enhance neighborhoods with greater housing choice, improved connectivity, and more creative, innovative, and environmentally sensitive development techniques. The policy plans for a local street and alley on the site.

Project Details:
The proposal is located on the north side of W. Trinity Lane, north of the intersection of Roy Street and W. Trinity Lane. The southern property line of the site abuts Day Street, an unimproved right of way that connects W. Trinity Lane to Old Buena Vista Road to the west. The western side of the property has frontage along Old Buena Vista Road. The site is approximately nine acres of an overall project that is a 26-acre mixed residential development consisting of six stacked flat buildings and 24 attached townhomes for a total of 427 multifamily units. This portion of the project is located in area A and will have 250 stacked flat units with two-, three-, and four-bedroom units. The multi-family structures will have maximum heights of four stories in 55 feet and five stories in 65 feet. The attached townhomes are located at the northwest portion of the site and not in area A. Parking is provided by surface parking lots for the stacked flat buildings. Parking is per the requirements of the Metro Code. Sidewalks meeting or exceeding the Major and Collector Street Plan (MCSP) and standards are provided throughout the site. The site will be accessed by a proposed collector road, shown on the site plan as Road A. This would be the only access point on W. Trinity Lane. The Haynes-Trinity Small Area Plan calls for an east/west collector road through the site. The proposed A Collector is part of Area B but will be necessary for access to the site. The proposed Road B terminates at the northeast corner of the property and extends west to Old Buena Vista Road. Roads A and B contain 59 feet of right of way with eight-foot-wide sidewalks and four-foot-wide planting strips. Proposed Road C, designed to local street standards, extends south from Road B providing access to the parking area behind building A. Day Street is an existing right-of-way that runs east/west connecting W. Trinity Lane to Old Buena Vista Road. The plan proposes to abandon the eastern portion of the existing right-of-way, approximately 670 feet in length. The western portion will be retained to provide access to the existing houses at 917 and 919 Day Street.

Planning Department Analysis:

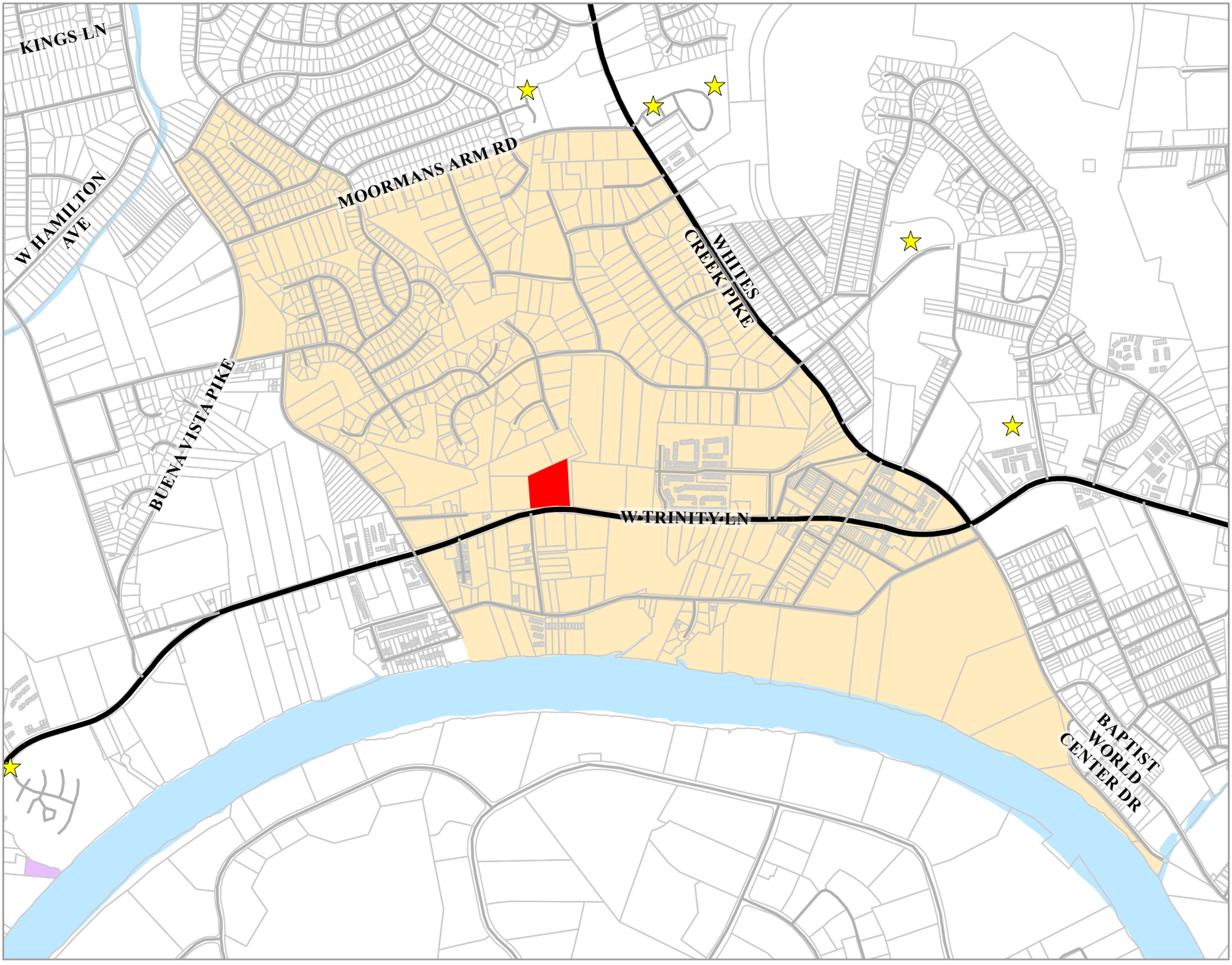
The plan is consistent with the T4 Residential Corridor Policy. T4 RC policy is intended to enhance and create urban residential corridors. The road connections as shown in the proposed site plan improve the access within the site and to the existing corridors, Old Buena Vista Road, and W. Trinity Lane. The proposed buildings front along W. Trinity Lane as well as the collector roads proposed within the site. This enhances existing corridors as well as creating new urban residential corridors. The proposed roads also increase the sidewalks within the area. The proposed SP meets the intent of this policy area to create areas that provide high access management and are served by connected street network and sidewalks.

Planning Determination: The proposed development is consistent with the NashvilleNext adopted general plan and the Community Character Policies.

PART II: LIST OF FEDERALLY SUBSIDIZED MULTI-FAMILY PROPERTIES WITHIN THE CENSUS TRACT

See attached map.

Federally Subsidized Multi-Family Projects within Census Tract 470370127021



869 W Trinity Ln

MDHA

Other Federal affordable housing units

Tract 470370127021

NASHVILLE PLANNING

Source :
U.S Census Bureau &
Nashville Planning
September 2024

N

0 0.1 0.2 0.4 0.6 0.8 Miles