

**THE INDUSTRIAL DEVELOPMENT BOARD
OF
THE CITY OF BRISTOL TENNESSEE
ANNUAL BOARD MEETING
AGENDA**

MONDAY SEPTEMBER 26, 2022 – 12 PM

1. Call to order
2. Roll Call
3. Approval of minutes – August 22, 2022 Regular Meeting
4. Financial Report
5. Welcome New Director – Jason Booher
6. Election of the IDB Officers:
 - o Current offices and officers as of August 31, 2022:
 - Chair – Dirk Crandell
 - Vice-Chair – Logan McCabe
 - Secretary/Treasurer – Jeff Jones
 - Vice-Secretary/Treasurer – Rob Nicar
 - a. Nominations from the floor
7. Authorize Check Signers:
 - o Current Authorized Check Signers:
 - Dirk Crandell
 - Rob Nicar
 - David Wagner
 - Tom Anderson (should remain a signer)
8. **RESOLUTION 22-5** - RESOLUTION APPROVING PAYMENT-IN-LIEU OF TAX BENEFITS AS AN INDUCEMENT FOR LOCATING A HEADQUARTERS FACILITY IN THE CITY OF BRISTOL AND OTHER MATTERS INCIDENT THERETO (RUGGED AMERICAN SPIRITS)
9. Economic Development Partners' Update
10. Directors' discussion
11. Adjourn

Minutes

August 22, 2022 Regular Meeting

**MINTUTES OF THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF BRISTOL TENNESSEE
AUGUST 22, 2022
REGULAR MEETING**

Board Members Present:

Dirk Crandell – Chair
Jeff Jones – Secretary/Treasurer
Rob Nicar – Vice Secretary/Treasurer
David Wagner
Nancy Cook
Vince Turner – Council Representative (ex-officio)

Staff:

Tom Anderson - Director
Matt Garland - Economic Development
Danielle Smith – City Attorney
Hollie Verran - Finance
Bill Sorah – City Manager

Also present:

Lynn Tully – TNECD
Clay Walker – NETWORKS
April Eads – BTES
Deidre Pendley – BTCS
Scott Andrew – TN Hills
Stephen Callahan – TN Hills
Ryan Chupa – TN Hills
Shari Brown – Centre Point
Mitch Walters – Friendship Enterprises
Vernon Spalding – Rugged American Spirits

Call to order: Chairman Dirk Crandell opened the August 22, 2022 Industrial Development Board Called Meeting at 12:05 P.M. Roll call was taken and Chairman Crandell declared a quorum present.

Approval of Minutes: Chairman Crandell asked if there were any additions or deletions to the minutes. A motion to approve the minutes was made by Mr. Wagner and seconded by Ms. Cook Motion passed unanimously.

Financial Report: Mr. Anderson provided the financial report for the month of July, 2022. Mr. Anderson reported that there were four disbursements totaling \$29,987.37 and an ending balance in the check register of \$112,111.74. Mr. Anderson also reported that the Money Market account had earned \$72.17 in interest for a total balance of \$102,041.74. A motion to approve the financial report was made by Mr. Nicar and seconded by Ms. Cook. Motion passed unanimously.

IDB Resolution 22-3 – RESOLUTION APPROVING A SECOND AMENDMENT TO A DEVELOPMENT AGREEMENT RELATING TO BORDER REGION RETAIL DEVELOPMENT AND OTHER MATTERS INCIDENT THERETO (CENTRE POINTE, LLC & FRIENDSHIP PROERTIES, LLC): Ms. Smith provided an update on the resolution and the request to expand the commitment time made by the developers. Ms. Brown provided information to directors regarding the development and a timeline was discussed. A motion to approve a second amendment to the resolution was made by Mr. Wagner and seconded by Mr. Nicar. Motion passed via roll call vote.

IDB Resolution 22-4 – RESOLUTION APPROVING A DEVELOPMENT AGREEMENT RELATING TO BORDER REGION RETAIL DEVELOPMENT AND OTHER MATTERS INCIDENT THERETO (Rugged American Spirits, LLC): Mr. Andrew provided an update on the development of a headquarters, manufacturing facility, and other potential developments that Rugged American Spirits will be developing in Bristol and provided a short video. Mr. Andrew also announced that Governor Lee and Commissioner Stuart McWhorter would be at the ceremonial groundbreaking that is being held on August 30, 2022. Ms. Smith reviewed the details regarding the resolution. Mr. Wagner made a motion to approve Resolution 22-4 and seconded by Mr. Jones. Motion passed via roll call vote.

IDB Program Financials: Mr. Anderson provided Directors with an update regarding the IDB Program Financials. Mr. Anderson addressed ways that IDB could use funds to benefit economic development projects within the City of Bristol, TN. Mr. Anderson suggested that Directors bring ideas to the meetings that can be discussed at the appropriate meeting time. A Work Session was also considered as a possibility regarding the use of IDB Program Financials.

Directors Comments: Directors had conversation regarding projects that the IDB could participate in to benefit the City of Bristol, TN. Mr. Crandell then asked local partners for updates. Deidre Pendley discussed a local teacher job fair that will be held on September 13, 2022. April Eads discussed ongoing MTAS training and workforce development initiatives. Lynn Tully discussed the upcoming Governor’s Conference on Economic and Community Development and reported that Governor Lee and TNECD Commissioner Stewart McWorter would be attending the event. Clay Walker discussed the upcoming Red Carpet Tour. Matt Garland spoke about “An Afternoon of Conversation with U.S. Senator Marsha Blackburn” as an upcoming event that the IDB was sponsoring. Mr. Garland also announced that Commissioner McWorter would be the moderator for the event.

Adjournment: There being no further discussion, Chairman Crandell adjourned the meeting at 1:23 P.M.

Chair

Attest:

Secretary/Treasurer

Attachments:

1. Agenda

Financials

Month Ending August 2022

**Industrial Development Board of the City of Bristol, Tennessee
August 31, 2022**

Check Register

Beginning Balance 08/01/22	\$ 112,111.74
 Deposits	
	<hr/>
	<hr/>
Total Deposits	<hr/> - <hr/>
 Disbursements	
Check 1348 - Stateline Bar & Grille - Food for Hiring Expo lunch on 06/01/22	78.00
Check 1349 - Stateline Bar & Grille - Food for IDB Meeting on 07/25/22	234.00
Check 1350 - Brown Edwards - Interim Billing (Invoice 1334560)	2,000.00
Check 1351 - Randall Gross/Development Economics - Bristol Multifamily and Retail Market Analyses (Invoice # D-334.3)	300.00
	<hr/>
	2,612.00
	<hr/>
Total Disbursements	<hr/> 2,612.00 <hr/>
 Ending Balance 08/31/22	 \$ 109,499.74 <hr/> <hr/>

**Industrial Development Board of the City of Bristol, Tennessee
Money Market**

Investment Amount	\$ 101,969.57
Interest Earned	85.16
Balance 08/31/22	<hr/> \$ 102,054.73 <hr/> <hr/>

**Bristol Industrial Development Board of the City of Bristol, Tennessee
For the Period Ending August 31, 2022**

Check Register

Beginning Balance 7/1/22		\$ 142,099.11
Deposits		
	Total Deposits	-
Disbursements		
Prior Year Activity		
Check 1344 - Randall Gross/Development Economics - Bristol Multifamily and Retail Market Analyses	8,700.00	
Check 1345 - Bristol Tennessee City Schools - 1/3 of AP exams and Computer Lab Laptops	20,997.74	
Check 1346 - Chick-Fil-A at the Pinnacle: Lunch for 06/27/22 IDB meeting	85.03	
Check 1347 - Tri-Cities/Southwest Virginia Regional Group: 06/20/22 Notice for Public Hearing and IDB Meeting on 06/27/22	204.60	
Check 1348 - Stateline Bar & Grille - Food for Hiring Expo lunch on 6/1/2022	78.00	
		30,065.37
Cash Transfer between Accounts		
		-
92347100 - Administration		
Check 1350 - Brown Edwards - Interim Billing (Invoice 1334560)	2,000.00	
Check 1349 - Stateline Bar & Grille - Food for IDB Meeting on 07/25/22	234.00	
Total Disbursements - 92347100		2,234.00
92347220 - Industrial Development		
Check 1351 - Randall Gross/Development Economics - Bristol Multifamily and Retail Market Analyses (Invoice # D-334.3)	300.00	
Total Disbursements - 92347220		300.00
92347230 - Chapter 420 Project		
Total Disbursements - 92347230		-
Total Disbursements		32,599.37
Ending Balance 08/31/22		\$ 109,499.74
Industrial Development Board of the City of Bristol, Tennessee Money Market		
Investment Amount		\$ 101,969.57
Interest Earned to Date		85.16
Balance 08/31/22		\$ 102,054.73

RESOLUTION 22-5

RESOLUTION 22-5

**RESOLUTION APPROVING PAYMENT-IN-LIEU OF TAX BENEFITS
AS AN INDUCEMENT FOR LOCATING A HEADQUARTERS FACILITY
IN THE CITY OF BRISTOL AND OTHER MATTERS INCIDENT THERETO
(RUGGED AMERICAN SPIRITS)**

WHEREAS, The Industrial Development Board of the City of Bristol Tennessee (the IDB) is a public nonprofit corporation organized and existing under the laws of the State of Tennessee and is a public instrumentality of the City of Bristol, Tennessee (the City); and

WHEREAS, the IDB was created and organized for the public purpose of promoting industry and developing trade by inducing manufacturing, industrial, governmental, educational and commercial enterprises to locate in or remain in the State of Tennessee and to further the use of its agricultural products and natural resources; and

WHEREAS, the IDB is authorized under Section 7-53-101 *et seq.* of the Tennessee Code Annotated (the Act), to acquire, whether by purchase, exchange, gift, lease, or otherwise, and to own, lease, exchange, donate and convey any or all of its properties, including without limitation, all or any part of the rents, revenues and receipts of the IDB from its projects, whenever its board of directors finds such to be in furtherance of the purposes for which the IDB was organized; and

WHEREAS, pursuant to the Act and Tennessee Code Annotated § 67-5-101 *et seq.*, the IDB is further authorized under the Act to negotiate payment-in-lieu of ad valorem taxes (PILOT benefits) as an inducement for economic development; and

WHEREAS, Rugged American Spirits, LLC (“RAS”), which does business as Tennessee Hills Distillery, has proposed locating its headquarters in Bristol, Tennessee, along with a manufacturing site, a retail site, educational space, and other recreational amenities (the “Project”); and

WHEREAS, the Project involves the acquisition of 8.54 acres located in Bristol, along with the acquisition of additional property, the renovation of an existing building on that site, and the construction and equipping of a 33,000 square foot distilling, bottling, canning and packaging plant (the “Manufacturing Facility”), which will result in the creation of approximately 80 new jobs in Bristol, and the investment of Twenty Million Dollars (\$20,000,000.00) over a five year period; and

WHEREAS, the Project will increase the tax base and create new employment opportunities; and

WHEREAS, the City’s Economic Development Incentive Program (“EDIP”) provides that PILOT benefits may be provided to manufacturers of products in amounts and for time periods based on the proposed project’s performance in categories such as job creation or retention, capital expenditure, average wage, type of project, and whether the proposed project offers an unusual benefit to the community; and

WHEREAS, under the EDIP, the IDB is permitted to award the following PILOT Benefits as an inducement to encourage RAS to proceed with the Project, consisting of the following:

- Upon completion of improvements, the portion of the 8.54 acres acquired by RAS that contains the Manufacturing Facility (the Real Property) as improved, will be subject to property tax abatement PILOT Benefits in the form of a ninety-five percent (95%) property tax abatement for a period of five years, with the option to renew for an additional five years at an abatement of fifty percent (50%), through a PILOT lease of interests in Real Property; and
- New personal property, consisting of machinery and equipment, added to the Manufacturing Facility by RAS prior to December 31, 2023 (the “Personal Property”) will be subject to property tax abatement PILOT Benefits in the form of a ninety-five percent (95%) property tax abatement for a period of five (5) years from the year of installation, with the option to renew for an additional five (5) year term at an abatement of fifty percent (50%); and
- The determination whether the Real Property lease and Personal Property lease shall be renewed for the five year renewal terms shall be made based on whether RAS continues to meet all requirements at the end of the initial term of such leases.
- Each PILOT lease shall provide that if RAS does not meet the employment and investment targets set out in either lease, RAS shall be required to pay a proportionate amount of the taxes that would be due on the Personal Property and Real Property in the absence of the PILOT leases. The amount of the payment due from RAS in this circumstance shall be determined with reference to RAS’s actual performance as compared to the employment and investment targets set out in the leases. Each PILOT lease shall also provide appropriate remedies for the IDB in the event of RAS’s failure to meet its obligations.

WHEREAS, in order to implement the PILOT arrangement, it will be necessary for the Personal Property and the Real Property to be transferred and conveyed to the IDB, and the IDB, in turn, will lease the same to RAS for the relevant period or periods for which PILOT benefits are applicable; and

WHEREAS, RAS is expected to employ approximately 80 employees at the new facility once the full investment contemplated by the Project has been made; therefore, as a condition of granting these PILOT benefits, the PILOT leases shall contain annual employment targets and require RAS to annually certify the current employment at its Bristol facilities to the Board of Directors of the IDB, beginning on the anniversary of the opening for operation of the Bristol facility, and continuing for the relevant period or periods for which PILOT benefits are applicable; and

WHEREAS, in order to meet the requirements of the EDIP, the median wage for all new jobs must be 130% of the median individual wage for Bristol, Tennessee for each calendar year the PILOT is in effect; and

WHEREAS, the Board of Directors of the IDB has met pursuant to proper notice, and has considered at such public meeting the Project and the PILOT benefits; and

WHEREAS, the IDB desires to approve the Project and the PILOT benefits.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF BRISTOL, TENNESSEE:

1. The Board hereby finds that the Project constitutes a project within the meaning of the Act.

2. The Project is approved and confirmed.

3. The Board hereby finds that the Project and the PILOT benefits will promote industry and develop trade in furtherance of the Act and the purposes for which the IDB was organized, thereby benefiting the citizens of the City and the surrounding area through increased economic and employment opportunities.

4. The Board hereby finds that the Project will have an Unusual Benefit to the Community as contemplated by the Economic Development Incentive Program.

5. The PILOT benefits for RAS are hereby approved and confirmed, and the IDB shall be obligated to provide the same when the conditions for RAS's receipt of the benefits have been met.

6. The Chairman or Vice Chairman of the IDB is hereby authorized and directed to execute and acknowledge, in the name of and on behalf of the IDB, and, if requested, the Secretary or Assistant Secretary is authorized to attest the same under its corporate seal or otherwise, and either is authorized and directed to deliver to the appropriate person or entity, any and all instruments or documents that may be approved by counsel for the IDB as necessary or appropriate to effectuate the PILOT arrangement, with the execution thereof by such officers to constitute conclusive evidence of the approval of the same.

7. All other acts of the officers of the IDB which are in conformity with the purposes and intent of this resolution are hereby approved and confirmed.

8. The provisions of this resolution shall inure to the benefit of RAS and any successor legal entity into which RAS may be converted or organized.

Adopted this ____ day of September, 2022.

Chairman

ATTEST:

Secretary-Treasurer