



STATE OF TENNESSEE

COMPTROLLER OF THE TREASURY

Justin P. Wilson

Comptroller

STATE CAPITOL

NASHVILLE, TENNESSEE 37243-0264

PHONE (615) 741-2501

January 5, 2014

**VIA U.S. MAIL & FACSIMILE**

Mr. J. Thomas Trent, Jr.  
Bradley Arant Boult Cummings  
Roundabout Plaza  
1600 Division Street, Suite 700  
Nashville, TN 37203

Email Address: [ttrent@boultcummings.com](mailto:ttrent@boultcummings.com)

RE: Tax Increment Financing ("TIF") for Oak Ridge Mall

Dear Mr. Trent:

I am writing this in response to your letter dated December 19, 2013 and received in my office on January 6, 2013 requesting a state's best interest determination in using funds from a tax increment financing ("TIF") plan for the Oak Ridge Mall. Under TCA§ 9-23-108 the Comptroller of the Treasury and Commissioner of Economic and Community Development must make a determination that the use of tax increment revenues for the financing of privately owned land, improvements or equipment is in the best interest of the State of Tennessee. As we understand the project would provide financing of approximately \$13,000,000 to the developer for a portion of the total costs of the project through a non-recourse note. The State's Best Interest Determination is necessary to allow for the proceeds to be used to cover the cost of privately-owned land, improvements, or equipment.

I have reviewed the documents presented on behalf of the Industrial Board of the City of Oak Ridge, Tennessee ("IDB") concerning the proposed tax increment financing agreement ("TIF") for the property with Crosland Southeast and its subsidiaries, C4 Investments, LLC and C4 Oak Ridge, LLC (collectively, the "Company"). The redevelopment projects consists of a retail-driven, multi-use project which will contain approximately 400,000 square feet of retail space in multiple buildings, containing approximately 60,000 to 100,000 square feet of office space and a hotel (the "Project"). The Company also plans to develop up to 50 multi-family residential units on the property to be funded totally by the Company or its designee. The Company anticipates spending in excess of \$85,000,000 for the acquisition, constructing and equipping of the Project.

The TIF area covers 39 parcels and approximately 164.13 acres excluding public right-of-way. Currently the TIF area generates approximately \$1,106,351 in county and city property tax revenues and it is expected to generate approximately \$2,334,518 in county and city property tax revenue upon completion of the Project. Based on these projected property tax revenues this would be a \$1,228,167 tax increment and

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based on the current city and county debt service of 14.7% (\$180,541) would make approximately \$1,047,626 available for debt service for the note for the project.

Based on the estimated retail sales of over \$78,666,056 per year the Project is expected to inject 950 to 1,000 estimated full and part-time jobs into the area and generate approximately \$2,163,317 in local sales tax revenue to the City and County annually. The estimated retail sales would also generate approximately \$5,500,000 in state sales taxes. The construction will also generate revenues from building permit fees for the local governments.

The County Commission of Anderson County, Tennessee and the Council of the City of Oak Ridge, Tennessee have both approved the development agreement. After conducting a public hearing on October 24, 2013, the IDB has requested the Commissioner of Economic and Community Development and I make a written determination that the proposed use of the proceeds are in the best interest of the state pursuant to Tenn. Code Ann. § 9-23-108. "Best interest of the state" is defined in Tenn. Code Ann. § 9-23-102(2) for purposes of approving payment or expenditure of funds, or financing the cost of a privately-owned project with tax increment revenues, to mean the project would not have occurred but for the payment, expenditure or financing.

After reviewing the documents presented on behalf of the IDB, I have determined that the planned use of the property tax increment to finance the cost of privately-owned land, improvements, or equipment is in the best interests of the State of Tennessee. This determination should not be construed as approving use of incremental revenue for general economic development expenses not specific to the identified project. Furthermore, this determination does not contemplate an allocation term in excess of twenty years. In the event the agency later deems a longer term necessary, it may seek to amend the plan and request a redetermination at that time.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Justin P. Wilson', written over a horizontal line.

Justin P. Wilson

c: Honorable William F. Hagerty, IV, Department of Economic Development