

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

**ECONOMIC IMPACT PLAN  
FOR  
THE RIVER NORTH INFRASTRUCTURE ECONOMIC DEVELOPMENT AREA**

1. **Authority for Economic Impact Plan.** Industrial development corporations are authorized under Section 314 of Tennessee Code Annotated § 7-53-101, *et. seq.* (the “**IDB Act**”) to prepare and submit to metropolitan governments an economic impact plan with respect to an area that includes a project within the meaning of the IDB Act and such other properties that the industrial development corporation determines will be directly improved or benefited due to the undertaking of such project. The IDB Act also authorizes metropolitan governments, cities and counties to apply and pledge new incremental tax revenues arising from the area subject to the economic impact plan to industrial development corporations to pay the cost of projects and public infrastructure or to pay debt service on bonds or other obligations issued by industrial development corporations to pay the cost of projects and such public infrastructure.

The Industrial Development Board of The Metropolitan Government of Nashville and Davidson County (the “**Board**”) desires to adopt this Economic Impact Plan (the “**Plan**”) pursuant to the IDB Act in order to induce Oracle America, Inc., a Delaware corporation, and/or one or more of its affiliates (the “**Company**”), to undertake the Project as provided herein.

2. **The Project.** The Company desires to acquire the real property located in the River North area on the east bank of the Cumberland River within the municipal boundary of the Metropolitan Government of Nashville and Davidson County, Tennessee (“**Metro**”) and as specifically described on **Exhibit A** (the “**Property**”). The Company also desires to construct on the Property approximately One Million Two Hundred Thousand (1,200,000) square feet or more of office space, together with potential retail space, parking facilities and other improvements (collectively, the “**Buildings**”), at a cost expected to exceed One Billion Eighty Five Million Dollars (\$1,085,000,000), together with the furniture, fixtures, and equipment to be located on the Property (“**Personal Property**”), at a cost of approximately Ninety-Five Million Dollars (\$95,000,000) (collectively, the “**Project**”).

3. **The Public Infrastructure.** The Property lacks the necessary infrastructure for the development of the Project, so in order to make the Project feasible, the Company has offered to fund up to One Hundred Seventy-Five Million Dollars (\$175,000,000) of the cost of following activities (the “**Permitted Costs**”): (i) providing Public Infrastructure as permitted by the Uniformity in Tax Increment Financing Act of 2012, codified in Tennessee Code Annotated § 9-23-101, *et seq.* (the “**TIF Uniformity Act**”), other than privately-owned parking lots, (ii) remediating or otherwise addressing any environmental or geotechnical issues on or emanating from the Property that are necessary or appropriate to enable the Property to be improved and related to or arising from the presence of a former landfill on a portion thereof, including, without limitation the cost of removing and disposing of contaminated or unsuitable soils, waste, debris or materials, and the installation of air or ground water monitors, vapor barriers, venting systems or

pilings to support the Buildings or other improvements thereon (collectively, the “**City Landfill Issues**”), and (iii) the transaction costs, closing costs, and legal expense of the adoption and implementation of this Plan. “**Public Infrastructure**” is defined in Tennessee Code Annotated § 9-23-102(15) as “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, that are necessary or desirable, as determined by the tax increment agency.” The Public Infrastructure is anticipated to include, without limitation, a pedestrian bridge over the Cumberland River linking the River North area to the Germantown area of the city, a riverfront park at the landing of said bridge at River North, the provision of greenways along the riverfront through some or all of the Plan Area, the construction, relocation, lighting and improvement of streets and utilities, storm water detention, retention and management, parks and recreational areas that may be accessed by the public, and other Public Infrastructure for the completion, use and operation of the Project, whether on the Property or off-site. Pursuant to the TIF Uniformity Act, the “tax increment agency” means the Board.

It is acknowledged and agreed that although permitted under applicable law, the Company has agreed to not seek the payment of any interest on the funds that it advances for the Permitted Costs, and has agreed to not seek reimbursement for the cost of any privately-owned parking facilities to be built on the Property.

The Board intends, subject to the approval of the governing body of Metro (the “**Metro Council**”) of this Economic Impact Plan, to provide funds pursuant to the IDB Act, to reimburse the Company for Permitted Costs, not to exceed the Maximum Contribution as provided in Section 6, below. It is hereby agreed and determined that the Project is an eligible “project” within the meaning of Section 101(15) of the IDB Act, and that the use of all or a portion of the Increment to fund the Permitted Costs is necessary or desirable.

4. **Boundaries of Plan Area**. The boundary of the area that is subject to this Plan, and to the tax distribution provisions described in Section 6 below (the “**Plan Area**”), is the Property. A list of the tax parcels that comprise the Property is shown on **Exhibit B** attached hereto, which the Board hereby agrees and determines is the property that will directly benefit from the development of the Project. The Project is hereby identified as the project that will be located within the Plan Area.

5. **Expected Benefits to Metro**. Metro expects to benefit in many ways from the provision of the Project. Most importantly, the Company anticipates creating approximately 2,500 jobs at an average annual wage of \$110,000, plus benefits, by the end of 2027, and approximately 8,500 new full-time jobs at the Project by the end of 2031, with total annual salary and wages by that date estimated to be \$1.1 Billion.

Attached hereto as **Exhibit C** is an Economic and Fiscal Impact Analysis (the “**Economic Impact Analysis**”), prepared by the Center for Economic Research in Tennessee (CERT), the research division of the Tennessee Department of Economic and Community Development. As noted in the Economic Impact Analysis, the Project is anticipated to generate over 11,000 additional indirect and induced jobs, that support the Company’s operations as well as its employees and their families. These spinoff jobs in service sectors, including the retail, restaurant

and entertainment areas, will enhance the livability of the community and its reputation as a destination for visitors and conventions. Direct, indirect and induced jobs are anticipated to collectively result in about \$2 Billion in annual salary and wages.

The Economic Impact Analysis projects that during the construction period, the Project will generate about \$1.6 Billion in capital investment, including the cost of the Property, Personal Property, the Buildings and Public Infrastructure, and the construction of the Project will create approximately 20,000 temporary direct, indirect and induced jobs, which would collectively result in an additional \$1.2 Billion in salaries and wages related to the construction activities.

Local sales and use tax collections as a result of the Project are expected to reach about \$8.8 Million annually, plus an additional estimated \$16 Million as a result of the construction of the Project as summarized in the Economic Impact Analysis.

As noted in Section 6 below, the Project is anticipated to eventually generate approximately \$17.9 Million in real property taxes to Metro each year. Metro will retain fifty percent (50%) of these taxes during the period during which the Company is being reimbursed for the Permitted Costs, and Metro will receive all of such real property taxes thereafter, thereby benefitting Metro and its schools.

All of the taxes on the Personal Property in the Plan Area and all of the sales taxes generated by the Project shall be retained by and benefit Metro and its schools. Visitors to the Project will lead to increased hotel and motel occupancy in Nashville, which will increase the associated tax revenues with respect thereto.

The reputation of Nashville as an office destination for the technology industry and its highly skilled workforce will be enhanced as a direct result of the Project.

6. **Distribution of Real Property Taxes.** Under the Economic Impact Analysis, it is estimated that the real property tax attributable to the completed Buildings and the Project will be \$17.9 Million per annum, based upon current property values and tax rates and without consideration of increases in the value of the Property and Buildings over time.

The Board and the Company will enter into a Project Agreement (the “**Project Agreement**”), pursuant to which the Board will agree to pay the Net Increment to the Company to reimburse the Company for paying the Permitted Costs, without interest, until the first to occur of (i) the payment to the Company of Net Increment equal to the Maximum Contribution, or (ii) the payment to the Company of the twenty-fifth (25<sup>th</sup>) annual installment of the Net Increment, being the Net Increment resulting from the real property taxes for calendar year 2045, which twenty-fifth (25<sup>th</sup>) annual installment of the Net Increment is anticipated to be paid to the Company during 2046. It is understood that after this period, all real property taxes in the Plan Area will be allocated and paid to Metro the same as all other property taxes levied by Metro on all other property. The maximum amount of the Net Increment that will be paid to the Company shall be One Hundred Seventy-Five Million (\$175,000,000) (the “**Maximum Contribution**”).

The “**Net Increment**” is defined as fifty percent (50%) of the real property taxes that are payable with respect to the Plan Area per annum, provided that in all events Metro shall receive an amount equal to at least the Base Tax Amount and the dedicated taxes as defined in the TIF

Uniformity Act (the “**Dedicated Taxes**”), and the applicable persons shall receive any taxes levied for the purposes referenced in Section 314(j) of the IDB Act. The term “**Base Tax Amount**” is defined as the portion of Metro real property taxes that were payable with respect to the Plan Area for 2020, being the full calendar year prior to the date of approval of this Economic Impact Plan. The Base Tax Amount for each tax parcel comprising the Plan Area is set forth on **Exhibit B**. Pursuant to Section 9-23-103(c) of the TIF Uniformity Act, the Board shall calculate the Base Tax Amount and Dedicated Taxes on an aggregate basis with respect to all parcels included in the Plan Area. The aggregate Base Tax Amount with respect to the Plan Area is \$735,241.38.

Real property taxes imposed on the Property located within the Plan Area shall be allocated and distributed in accordance with Sections 314(c) and 314(d) of the IDB Act as follows:

(a) Commencing with the taxes assessed for the 2021 calendar year, the Net Increment, if any, shall be allocated to and when collected, paid into a separate fund of the Board established to hold such payments until used to reimburse the Company for Permitted Costs under the Project Agreement; and

(b) All of the real property ad valorem taxes other than the Net Increment shall be allocated to and, as collected, paid to Metro as all other taxes levied by Metro on all other properties; provided, however, that in a year, if any, in which such taxes on the property within the Plan Area are less than the Base Tax Amount, there shall be allocated and paid to Metro only the taxes actually imposed; and

(c) All property taxes imposed on personal property located within the Plan Area shall be paid to Metro as all other taxes levied by Metro on all other personal property.

7. **Qualified Use.** The Board and Metro, by the adoption of this Economic Impact Plan, find (i) that the use of the Net Increment as described herein is in furtherance of promoting economic development in Nashville, and will develop trade and commerce in and adjacent to Nashville, contribute to the general welfare, and alleviate conditions of unemployment, and (ii) that the construction and equipping of the Project will be necessary and advantageous to the Board in furthering the purposes of the IDB Act.

8. **Approval Process.** Pursuant to Section 314 of the IDB Act, the process for the approval of this Economic Impact Plan is as follows:

(a) The Board shall hold a public hearing relating to the proposed Economic Impact Plan after publishing notice of such hearing in a newspaper of general circulation in Metro at least two (2) 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 will submit this Economic Impact Plan to Metro for approval.

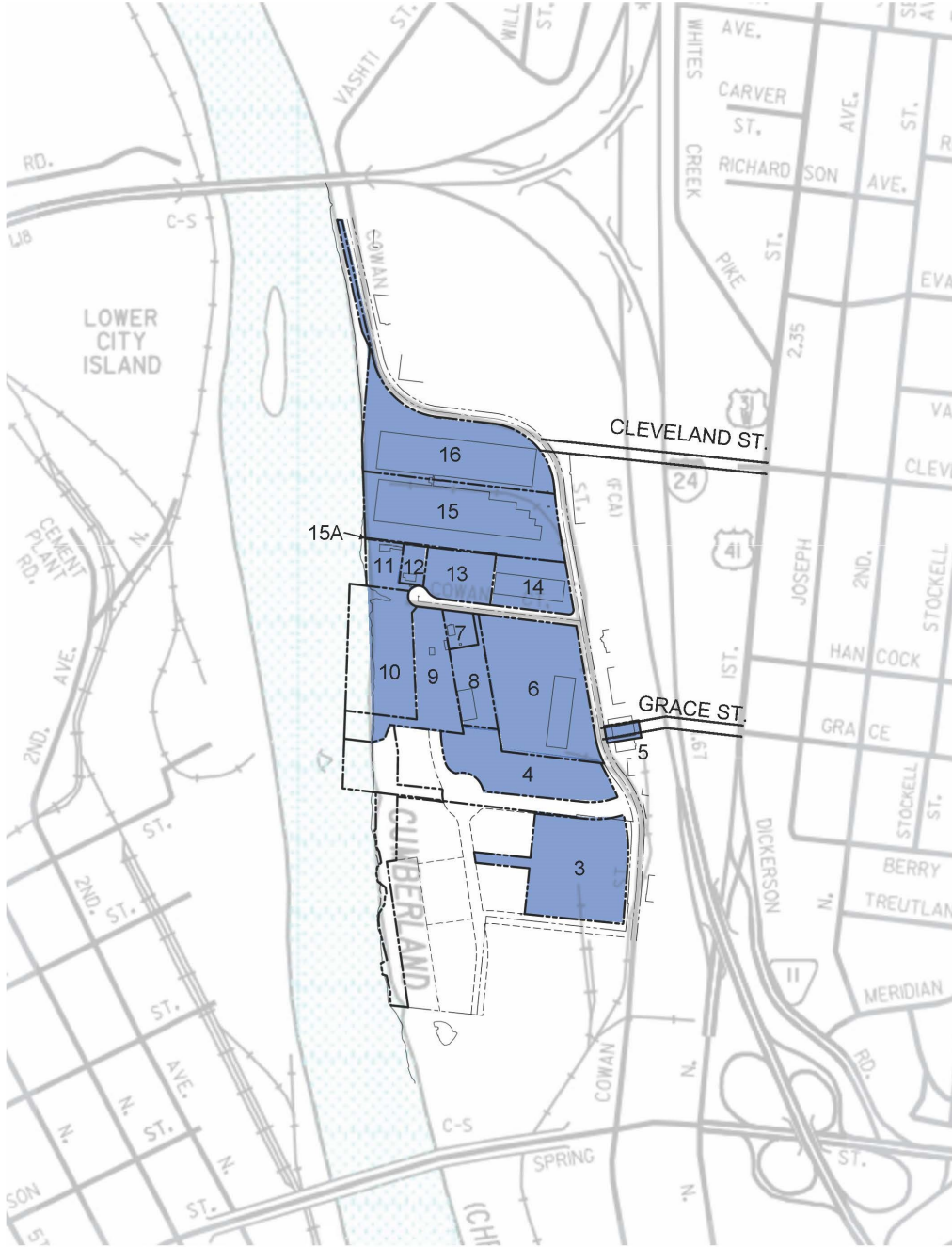
(b) This Economic Impact Plan shall be submitted to the Metropolitan Mayor prior to the approval thereof by the Metro Council. The Metro Council must approve this Economic Impact Plan for this Economic Impact Plan to be effective. Pursuant to the IDB Act, this Economic Impact Plan may be approved by resolution of the Metro Council, whether or not the local charter provisions of said governing body provide otherwise.

(c) Pursuant to Sections 104 and 108 of the TIF Uniformity Act, the use of the Net Increment to reimburse the Company for Permitted Costs related to City Landfill Issues and for the number of annual payments of the Net Increment exceeding twenty (20) years are subject to the Commissioner of the Department of Economic and Community Development and the Comptroller of the Treasury making a written determination that the use of tax increment revenues for such purposes is in the best interest of the State of Tennessee. If the written determination approving or rejecting these proposed uses is not rendered within thirty (30) days from the receipt of the written request by the Commissioner of the Department of Economic and Community Development and the Comptroller of the Treasury, the uses shall be deemed approved.

(d) Subject to the provisions of Section 8(c), the Economic Impact Plan shall be effective upon its approval by the Metro Council.

(e) Upon approval of the Economic Impact Plan by the Metro Council, the Metropolitan Clerk or other recording official of Metro shall transmit the following to the appropriate tax assessors and taxing agency affected: (a) a copy of the description of the property within the Plan Area, and (b) a copy of the Resolution approving the Economic Impact Plan, and any and all other filings required under the TIF Uniformity Act.

**EXHIBIT A**  
**PLAN AREA**



**EXHIBIT B**

<b>LIST OF TAX PARCELS</b>				
<b>Tract #</b>	<b>Map and Parcel #</b>	<b>Street Address</b>	<b>Account #</b>	<b>Base Tax Amount</b>
3	57.2% of Map 82-1, Parcel 5 <sup>1</sup> ,	520 Cowan Street	08210000500	\$89,074.79
4	48.9 % of 082060A00200CO <sup>2, 3</sup>	Unit Y in 600 Cowan Land Condominium	082060A00200CO	\$61,569.92
5	Map 82-6, Parcel 1	701 Cowan Street	08206000100	\$11,597.62
6	Map 82-6, Parcel 69	700 Cowan Street	08206006900	\$111,214.91
7	Map 82-6, Parcel 87	1429 Cowan Court	08206008700	\$11,812.05
8	Map 82-6, Parcel 85	1425 Cowan Court	08206008500	\$30,247.65
9	Map 82-6, Parcel 68	1433 Cowan Court	08206006800	\$53,758.65
10	Map 82-6, Parcel 88	1437 Cowan Court	08206008800	\$50,305.88
11	Map 82-6, Parcel 89	1436 Cowan Court	08206008900	\$18,150.30
12	Map 82-6, Parcel 91	1432 Cowan Court	08206009100	\$9,713.37
13	Map 82-6, Parcel 86	1420 Cowan Court	08206008600	\$28,132.12
14	Map 82-6, Parcel 83	740 Cowan Street	08206008300	\$37,482.48
15	Map 82-2, Parcel 79	750 Cowan Street	08202007900	\$93,858.15
15A	Map 82-6, Parcel 90	0 Cowan Court	08206009000	\$16.89
16	Map 82-2, Parcel 78	800 Cowan Street	08202007800	\$128,306.57

<sup>1</sup> See Lot I on proposed River North Phase 1 Final Plat attached hereto.

<sup>2</sup> See Lot I on proposed River North Phase 1 Final Plat attached hereto.

<sup>3</sup> The remaining Lots on proposed River North Phase 1 Final Plat attached hereto are NOT included.







**EXHIBIT C**  
**ECONOMIC IMPACT ANALYSIS**

## Economic and Fiscal Impact Analysis

*Analysis prepared by the Center for Economic Research in Tennessee (CERT),  
the research division of TNECD.*

This report outlines the anticipated (projected) economic and fiscal impacts which the project, locating in Davidson County, will have on the state and local economies. Annual projections reflect estimates for the first year during which the project becomes fully operational.

- **The project is anticipated to generate 20,214 new jobs and \$2.0 billion in annual earnings.**  
This workforce includes **8,521 direct new jobs in Davidson County with total annual earnings of \$1.1 billion**, and an additional 11,693 indirect and induced new jobs in the state with total annual earnings of \$873.2 million. Indirect<sup>1</sup> and induced<sup>2</sup> jobs support the company's operations, as well as company employees and their families.
- **The project is anticipated to contribute \$2.0 billion each year to Tennessee's gross state product (value added).**  
The company's operations are projected to generate \$3.1 billion annually in economic output<sup>3</sup> from direct and indirect economic activity. Value added, or contribution to state GDP, is the portion of total economic output which excludes the cost of intermediate inputs.
- **The project is anticipated to generate additional benefits during the temporary construction period:**
  - **\$1.6 billion in capital investments**  
The project will include an initial period of construction where \$1.6 billion will be spent on land; buildings and other real property improvements; furniture, fixtures, and equipment; and infrastructure improvements.
  - **21,131 temporary direct, indirect, and induced jobs supported during the construction period**  
This includes 10,051 direct full-time-equivalent workers during the project's construction and 11,080 indirect and induced workers employed in the region.
  - **\$1.2 billion in salaries related to project construction activity**  
Workers employed directly in the project's construction will earn an estimated \$673.4 million in salaries, with an additional \$532.0 million in estimated salaries paid to indirect and induced workers supporting the project and its workers.

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<sup>1</sup> Indirect jobs include individuals employed at supplier organizations to the company.

<sup>2</sup> The company's direct and indirect economic impacts induce additional economic activity in the region, supported by workers spending parts of their salaries in the state. Induced impacts in the region can be seen in industries such as retail stores, real estate, and healthcare practitioners.

<sup>3</sup> Economic output is the value of goods and services produced in the state as a result of the company's operations as well as the operations of indirect and induced economic activity. Economic output can be thought of as the revenue generated by the direct business and spin-off businesses.

- **The project is anticipated to generate significant local fiscal impacts in Davidson County, which include:**
  - **\$8.8 million in projected local sales tax collections annually**  
This includes sales tax collections generated annually through purchases of food and general items made by direct and indirect worker spending.
  - **\$16.1 million in local sales tax collections generated during the construction period**  
The temporary construction period will generate \$16.1 million in local sales tax collections through construction, improvements and company expenditures on furniture, fixtures and equipment.
  - **\$17.9 million in projected local property tax collections each year**  
Local property tax revenues generated by the company for land, buildings, and other real property improvements.

Analysis prepared by the Center for Economic Research in Tennessee (CERT), the research division of TNECD.

Analysis prepared using an impact model developed by Impact DataSource, an economic consulting, research and analysis firm founded in 1993. The model was developed for TNECD to forecast economic and fiscal impacts of business development opportunities. To derive projections of economic and fiscal changes, the model relies on project-specific information as well as other assumptions and parameters including tax rates and industry-specific RIMS II multipliers sourced from the U.S. Bureau of Economic Analysis.