

Megasite Authority of West Tennessee Board of Directors  
Meeting Date: November 15, 2023  
Time: 10:00 a.m. – 11:05  
Location: Southwest TN Development, Jackson, TN

Attendees Included:

Clay Bright, CEO  
Charles Tuggle, Chairman  
Commissioner McWhorter (virtual attendee)  
Commissioner Branscom (virtual attendee)  
Commissioner Bryson (absent)  
Jeff Huffman  
Jim Duke  
Evelyn Robertson  
Michael Banks  
Chris Richards  
Carolyn Hardy  
Christy Allen, Legal Counsel

- The Meeting was called to order at 10:00 a.m. by Chairman Tuggle.
- CEO Bright performed the roll call. A quorum was present.
- The first item of discussion was approval of the September 20 meeting minutes.
  - A motion was made by Jim Duke to approve the minutes.
  - Motion was seconded by Michael Banks.
  - Minutes approved by a roll call vote; all in favor, none opposed.
  - Minutes approved.
- The next item on the agenda is the approval of Policy for the Pretreatment Program. Christy Allen led the discussion to adopt the policy for the pretreatment requirements that the Department of Environment and Conservation says need to be in place. The Board saw a version of this document at an earlier meeting this year, and it will go through the rulemaking process. While that project is in the early stages, and because there needs to be something in place now, this policy, containing the same language as the notice of rulemaking hearing, is presented for Board's consideration and adoption today. This will put a policy in place that the tenants on the site can follow until the formal rulemaking is completed. The statute does authorize the board to adopt such policies. TDEC drafted the majority of these

based on their template. The Office of General Counsel has reviewed and made minor modifications to align with the correct terminology and the correct statutory authority for the Megasite Authority Board.

- Chairman Tuggle asked if there was a motion to approve.
- A motion was made by Chris Richards.
- Motion was seconded by Carolyn Hardy.
- No further discussion.
- In a roll call vote, the policy was adopted.
- The next item is the approval of the Subdivision Plat. Chris Bowles noted that this document has been in the works for a while in consultation with Ford, Ford's attorneys, STREAM, and others within state government. The purpose of the plat is to divide up and carve out the tracts that will serve as supplier sites as well as designate the internal roads and drives that will be used to access various portions of BlueOval City. They will not be public roads, so they are still within Ford's leased area and named private roads. The subdivision plat does not include the areas that are owned by the State but not currently leased to Ford, so it is clearly BlueOval City and not the entire Megasite that is being platted and sub-divided.

The Resolution in front of the Board does three things: 1) it approves the Tract 9/Keeling Road easement that is needed as part of the Magna Structures supplier package; 2) it authorizes the CEO or the Chair to take the necessary steps to finalize and effectuate that particular easement; and 3) it authorizes the CEO or the Chair to take the necessary steps to finalize and effectuate any other easements or documents that are needed to allow ingress/egress over the internal BlueOval City roads and driveways.

- Chairman Tuggle asked if there was a motion to approve.
- A motion was made by Carolyn Hardy to approve the resolution.
- Motion was seconded by Michael Banks.
- Chairman Tuggle conducted a roll call vote; all in favor, none opposed.
- The next item on the agenda is the approval of the Supply Chain Vendor PILOT Agreements. Chris Bowles pointed out that this is an extension of commitments that were made by the State in the vehicle plant lease with Ford and stemming from the original MOU negotiations. What is being approved here is specific to what is defined as a supply chain vendor in that vehicle plant lease. The structure requires three documents and will likely always come with a fourth: 1) an amendment to

Ford's existing vehicle plant lease to carve out that supplier lease; 2) a separate PILOT agreement that outlines payments in lieu of property taxes with respect to that real estate; 3) the form of the PILOT agreement that was entered into by Ford and Blue Oval SK with modifications that align with the structure, and it also contemplates the PILOT payment structure that this Board previously approved for the calculations that ECD is using; and 4) the supply chain vendor NDA (which does not require specific approval of the Board).

Tract 9 is that two-tier lessee structure with Ford at the top. Ford as the direct contracting party with the State is the obligor under that PILOT, and if there is a non-payment, that is Ford's responsibility, and the State can then declare a default. The request in the resolution is to both authorize the Chair or CEO to execute documents in this form with minor modifications approved by them, but authorize the signing of this specific Tract 9 transaction with the documents provided within this resolution. Because there will be a large number of these in rapid succession, it also authorizes the Chair or the CEO to enter into transactions that mirror this for future supplier sites on the same form and enter into a PILOT agreement that reflects the tax abatement schedule and job commitment schedule that matches ECD negotiations with the supplier. For this delegation of authority to be valid, it would have to align with the abatement and incentive schedule that this Board originally approved.

- Jim Duke questioned ownership at the end of 2051 when Ford takes ownership and asked whether the suppliers will take ownership or whether Ford would retain ownership of these sites. Chris Bowles stated that Ford will have the purchase option at a nominal fee, at any time, and they could take this land private and be fully taxable, and then it could be transferred. Chris Richards asked where the responsibility for the primary payment is. Chris Bowles stated that the Megasite Authority will send that bill to Ford, and this Board over time can decide where the payment should be sent. CEO Bright stated that the Haywood County tax assessors office will help in this process, and they will value the land and the Megasite Authority will send that to Ford and the supplier. CEO Bright stated he wanted to be the one to send the bill to Ford and their supplier. Chairman Tuggle commented that Ford is responsible for this two-tier structure. Christy Allen asked Chris Bowles whether the Board's adoption of the resolution would cover approval of agenda items VI) Approval of Supply Vendor PILOT Agreements, VII) Approval of Supplier Chain Vendor Facility Leases, and VIII) Approval of Supplier Non-Disturbance &

Attornment Agreements on the agenda or whether those should be approved separately. Chris Bowles stated that the adoption of the resolution covers all three items, and he believes that to be sufficient.

- Chairman Tuggle stated that the Board has a resolution before it.
  - A motion was made by Jim Duke to adopt the resolution.
  - Motion was seconded by Carolyn Hardy.
  - Chairman Tuggle conducted a roll call vote; all in favor, none opposed.
  - The adoption of the resolution also applies to agenda items VI, VII, and VII.
- Treatment Plant Operator and Plant Update

CEO Bright reported that the temporary system is up and running, and they are doing some final verification and quality checks. The South Water Tower was disinfected, and the temporary system is up and running. In the next few days, they will start turning on the water and flushing out the pipes. They are meeting the requirements. As mentioned before, the procurement did not go well, but there is an operator on board for next year. The procurement is back in the RFP process and will be issued by the end of the year to procure a 10-year operator.
  - SR22 Utility Service Update

CEO Bright noted that this has been in process since last December. This is not for the Megasite, it is for the fire station and the TCAT, and Ford is also in discussion with the YMCA and the TN Board of Regents to build a child care center there. A bid process was undertaken, and the bids came in under budget. The schedule is to have it completed by mid-April. The Megasite Authority appreciates all of Mayor Sterbinsky's work, and Rural Development has been a huge help with USDA funding. It is very exciting what this will mean outside of the Megasite for that area.
  - TDOT Updates
    - CEO Bright reported that the SR2222 project has been awarded, and construction will happen in Spring April of 2024.
    - Tentatively, the Exit 42 modifications will be an August/September letting with a start date of about this time in 2024.
    - SR468 through the Megasite is on schedule and coordinated with Ford.
    - Exit 39 and SR194 which connect into the Megasite are going through a realignment. This is still in the design phase, but they hope to lessen the impact on the farmers, and there is a Spring 2025 tentative construction schedule.
    - CEO Bright reminds TDOT each month about I-40 and the six lanes. TDOT responded that they will be releasing a 10-year plan in December that will

address urban and rural congestion across the state. Chris Richards asked for it to be on the record that the Board has asked. She stated that she is aware that TDOT has pressing projects in Nashville, and across the state, but it is a problem when trucks are backed up and nobody can drive on I-40.

- Evelyn Robertson stated that several had the opportunity to tour the various roads going into the actual site, and the roads are narrow, and some are unlined. With 8000 people working at the site, if it is not resolved it will be a nightmare. Everyone that was part of the tour was equally concerned, and he wanted to put that on the radar and sound the alarm. CEO Bright noted that \$5 million was approved by the legislature two years ago, and ECD is overseeing that along with a consultant. Two main things to continue to look at and discuss are local roads. Chris Richards stated the Board should coordinate a presentation from local officials and TDOT, as traffic is backed up now and is already a problem. Commissioner McWhorter stated that they care about the traffic and are in constant contact with those at the local level and with TDOT. There is a sense of urgency on ECD's end, and Brooksie Carlton is leading that effort for ECD and with Gresham Smith.
- Chairman Tuggle asked if there was any other business any member wanted to bring before the Board today. Being none, the Chairman called for a motion to adjourn.
  - A motion was made by Michael Banks to adjourn.
  - The motion was seconded by Evelyn Robertson.
  - Chairman Tuggle conducted a roll call vote; all in favor, none opposed.
  - The meeting Adjourned at 11:08 a.m.
- Adjournment

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