



**RESOLUTION FOR ECONOMIC DEVELOPMENT INITIATIVE –  
ONE BEALE CONVENTION CENTER COMMITMENT**

WHEREAS, the City of Memphis has invested \$200,000,000 in the renovation of the Renasant Convention Center (“RCC”); and

WHEREAS, it is necessary to have a sufficient block of available hotel rooms to “sell” to prospective convention and meeting planners to ensure the continued success of the RCC and its contribution to the economic development of the City; and

WHEREAS, the adjacent Sheraton Hotel has a room block agreement with RCC, but the allowance is not large enough alone to accommodate the conventions expressing interest in the RCC; and

WHEREAS, the City needs many more contractually committed room blocks of upscale hotel rooms to realize the full potential of the RCC; and

WHEREAS, due to the impact of the pandemic, the proposed Main Street convention center hotel was deemed unviable, and as a result the supporting development was terminated; and

WHEREAS, as planned, the One Beale Development will have three hotels with more than 700 new hotel rooms placed into service; and

WHEREAS, in order to assist in the economic development of the City and support of the RCC, this Council previously approved a credit enhancement, in the form of a reserve fund replenishment agreement, to the taxable bonds (“Taxable Bonds”) to be issued by Memphis Center City Revenue Finance Corporation (“CCRFC”), which Taxable Bonds will be wholly payable, as previously approved by City Council, from the 5% Tourism Development Zone surcharge generated on the One Beale Development (the “Surcharge Revenues”) and which Taxable Bonds will be issued for the purpose of financing the cost of the development and construction of convention meeting space adjacent to the Grand Hyatt to be developed at the One Beale Development (the “Convention Space”); and

WHEREAS, for the purpose of financing the cost of the development and construction of the Convention Space, the Council had also previously approved a credit enhancement, in the form of a reserve fund replenishment agreement, to the tax-exempt bonds to be issued by CCRFC (the “Tax-Exempt Bonds” and, together with the Taxable Bonds, the “Bonds”), which Tax-Exempt Bonds will be payable, as previously approved by City Council, from lease payments made by the City to the CCRFC in an amount equal to \$2.25 of the \$2.75 local option sales taxes generated on the One Beale Development (the “City Lease Payments”), under a lease from the CCRFC to the City (the “City Lease”) of the Convention Space; and

WHEREAS, the State of Tennessee approved the project as a development in the economic best interest of the City by the approval of a 30-year PILOT; and

WHEREAS, it is in the best interests of the City to protect the investment in the RCC and the convention and tourism associated economic development, and it is therefore proposed, in lieu of the credit enhancement in the form of a reserve fund replenishment agreement of the Bonds, that the City undertake to make an initial lease payment to the CCRFC under the City Lease to fund up to \$10 million of the cost of the Convention Space (the “Initial Lease Payment”), such funds to be repaid to CCRFC by the developer of the Grand Hyatt and as additional rent under the lease of the Convention Space from CCRFC to the developer; and

WHEREAS, it is necessary to transfer an allocation and appropriation of up to \$10,000,000 (ten million) funded from General Fund Assigned Fund Balance to fund the Initial Lease Payment; and

WHEREAS, the City through its prudent oversight of the financial obligations and opportunities of the City, has positioned itself to serve as financial security and protection of the \$200 million investment in the RCC, now wishes to commit to the continued economic recovery and development of the City by supporting this economic development and by providing for the construction of the Convention Space, the welfare of the City and its Citizens requiring it.

NOW, BE IT THEREFORE RESOLVED, by the power vested in the City Council of the City of Memphis that it hereby approves an Initial Lease Payment by the City to CCRFC under the City Lease of up to \$10 million to fund up to \$10 million of the cost of the Convention Space, such funds to be repaid to CCRFC by the developer of the Grand Hyatt to be developed at One Beale as additional rent under the lease of the Convention Space from CCRFC to the developer; and

BE IT FURTHER RESOLVED, by the City Council of the City of Memphis that the General Fund Operating Budget be and is hereby amended by transferring an allocation and appropriation of up to \$10,000,000 (ten million) funded by the existing Assigned Fund Balance of the General Fund to fund the Initial Lease Payment; and

BE IT FURTHER RESOLVED, that the City Council of the City of Memphis no longer intends to authorize a credit enhancement of the Bonds, in the form of a reserve fund replenishment agreement of the City, and any previous actions, resolutions or ordinances, or parts thereof, of the City Council of the City of Memphis authorizing a credit enhancement of the Bonds, in the form of a reserve fund replenishment agreement, are, solely as it relates to such reserve fund replenishment agreement, hereby repealed; provided, however, that all other actions, resolutions or ordinances, or parts thereof, in connection with the Bonds and the One Beale Development shall otherwise remain valid, enforceable and outstanding.

BE IT FURTHER RESOLVED, that the Mayor or his designee(s) (individually or collectively, “Authorized Officers”), and other authorized officials and employees of the City be, and each of them hereby is, authorized in the name of and on behalf of this City, to take all such other actions and to execute and deliver all such other documents, instruments and agreements and such supplements, amendments and additions to such documents, instruments and agreements as such Authorized Officer or other authorized officials and employees of the City shall, in his or her sole discretion, consider necessary, advisable, or appropriate in connection with the documents, instruments and agreements for the execution or the consummation of the transactions contemplated thereby and by this Resolution.

BE IT FURTHER RESOLVED, that all acts of the officials of the City which are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bonds and the financing of the One Beale Development, thereby be, and the same hereby are, in all respects, ratified, approved, and confirmed in all respects.

This resolution shall take effect from and after its adoption, the welfare of the economic development of the City of Memphis requiring it.

Adopted this \_\_\_\_\_ day of September, 2022

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