

CITY OF WHITE HOUSE  
Board of Mayor and Aldermen  
*Study Session*  
Minutes  
July 18, 2022  
6:00 p.m.

1. Call to Order by the Mayor

Meeting was called to order at 6:00 pm.

2. Roll Call

Mayor Bibb - Present; Ald. Corbitt - Present; Ald. Decker - Present; Ald. Hutson - Present; Ald. Payne - Present; **Quorum – Present.**

3. Adoption of the Agenda

Motion was made by Ald. Decker, second by Ald. Hutson to adopt the agenda. A voice vote was called for with all members voting aye. **Motion passed.**

4. New Business

a. Discuss a Commercial Property Assessed Clean Energy and Resiliency (C-PACER) program.

City Administrator Gerald Herman introduced representatives of DMK Development Group that is proposing a new senior housing project on Sage Road that will utilize the C-PACER program. Representatives of DMK Development included Mr. Ben Spies with DMK and Mr. Jay Campbell with Dickinson Wright law firm.

Mr. Spies gave a brief overview of the project that will consist of a one-story 64,000 square feet building with 79 units total with 56 units reserved for assisted living and the remaining units for a memory care program that will focus on dementia diseases like Alzheimer's.

Mr. Spies stated that the estimated C-PACER assessment for the project is around \$3.5 million which is approximately 20% of the overall project cost. Mr. Spies mentioned that the \$3.5 million would be financed through Forbriht Bank and the remaining amount through Central Bank of Trust. Mr. Herman asked how the Central Bank of Trust loan gets paid if the C-PACER program pays Fortbriht Bank. Mr. Spies discussed the payment to the Central Bank of Trust process through revenue from the resident fees.

Alderman Hutson asked why there is a no bond associated in the C-PACER program when other states require a bond. Mr. Campbell stated that a bond requirement was waived during the approval process through the Tennessee state legislature for a more streamlined approach. Ald. Hutson asked what are the benefits for the bank to approve the loan and for DMK to apply for this type of loan. Mr. Spies noted that the C-PACER program allows for a more reliable pay back option for the bank and allows for lower interest rates on the loan for the developer.

City Administrator Gerald Herman questioned if the City will be collecting the C-PACER assessment and pay Forbriht Bank directly. Mr. Spies stated that the payment of the C-PACER assessment will be paid by the property owner just like a property tax assessment. Mr. Herman stated that Alderman Corbitt was worried that the City will be held liable if the property owner did not pay the C-PACER assessment. Mr. Herman mentioned that he discussed this with City Attorney Valerie Webb and if the property owner did not pay the assessment for any reason that it would be treated like a default on payment of property taxes. Mr. Herman continued that the City would receive the assessment once the property is sold to a new owner.

Mr. Spies discussed the economic impacts of the project included bringing the first senior living facility within 10 miles of the City. Mr. Spies continued that the 75-84 year old population is projected to increase over 40% within the next 5 years which is the target market of this project. Mr. Spies mentioned that DMK Development would be the general contractor and use local construction companies as subcontractors for the project. Mr. Spies noted that this facility would be paying around \$1.5 million a year in salaries from director positions to front line staffing like nurses and wait staff for the dining services. Mr. Spies stated that the facility will be paying full property taxes with no incentives from the county or city that would amount to over \$100,000 per year.

City Administrator Gerald Herman mentioned that he gets asked all the time from citizens about a senior living facility in the community and has tried to recruit other developers to build a facility within the city. Mr. Herman asked if Mr. Spies could clarify the financing for the project. Mr. Spies mentioned that the project is paid for through private capital and that there is no public funding of any kind for the program. Mr. Herman discussed the option of a PILOT program offered through the City's Health, Educational, and Housing Facilities Board that the development is not partaking in. Mr. Herman stated that the C-PACER program is benefiting the city because if the development went through PILOT process the City would not see revenue from taxes for several years. Mr. Spies stated that the State's law prohibits any kind of public funds for this type of financing through the C-PACER program.

City Administrator Gerald Herman questioned if the company has had any foreclosures on similar projects. Mr. Spies said that they have not had any foreclosures.

Alderman Decker asked if the clean energy items in the project mean less quality. Mr. Spies stated that the items and materials used in this project would not be less quality since they would be using the same items and materials in any other development. Mr. Spies continued that the energy efficient items and materials would actually add value to the project by allowing for less utility bill payments. Ald. Decker questioned if there would be thermal heating in the project. Mr. Spies replied that there will be no thermal heating in the project. Ald. Decker asked for some clean energy examples. Mr. Spies stated that the type of HVAC units, roofing materials, windows, LED lighting, and doors would qualify under the C-PACER program for energy efficiency. Mr. Herman questioned if there are any required changes to the utilities coming into the building. Mr. Spies stated that there would be no change needed to any utilities.

Mr. Spies mentioned that the C-PACER program is voluntary/optional and does not impact any other developments. Mr. Spies continued that DMK is opting into the program for better financing options as mentioned previously. Mr. Herman stated that the original map in Resolution 22-08 showed the DMK parcel as well as the town center zoning. Mr. Herman continued that the town center was added so other developers could opt in to the C-PACER program to develop the area. Mr. Herman stated that the town center area could be removed from the map if the Board requests it, and it would require that if any other development wants to utilize the C-PACER program that they would have to get it approved.


Alderman Decker stated that he was relieved after this discussion because he thought it was big government overseeing this program and requiring a clean energy agenda. Mr. Spies noted that this program is not part of the government and is using private capital for funding sources.

Alderman Corbitt questioned why the government needs to get involved in this program. Mr. Campbell stated that the consistency and reliability in payment structures just like property taxes allows for longer terms and better interest rates for the loan. Ald. Corbitt asked what would happen if a payment is not made to the loan. Mr. Campbell noted that the payment would be made through a lien once the property sales through a foreclosure. Ald. Corbitt asked if the payment would be ahead or behind taxes. Mr. Spies mentioned that the payment would be behind the property tax payment.

City Administrator Gerald Herman discussed that the C-PACER program is on the agenda for the Board of Mayor and Aldermen meeting later in the week and that the map would be updated to remove the highlighted town center area in Resolution 22-08.

## 5. Adjournment

Meeting was adjourned at 6:39 pm.

  
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Farris H. Bibb, Jr., Mayor

ATTEST:

  
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Derek Watson, City Recorder