



TAB 1
TITLE PAGE

THE HENLEY CENTER

A place to live, work & play



**Commercial &
Investment
Properties**



**Proposal to the City of Knoxville for the
Purchase, Design, and Development
of the Former State Supreme Court Site**

THE HENLEY CENTER

A place to live, work & play

PROPOSER INFORMATION



**Commercial &
Investment
Properties**

1225 E. Weisgarber Road, Suite 160 | Knoxville, TN 37909

NICHOLAS G. CAZANA

Phone: 865-584-3967 | Fax: 865-584-4317 | ngcazana@ciprop.com



**Commercial &
Investment
Properties**

October 7, 2016

Boyce Evans
Purchasing Agent
City of Knoxville
400 Main St., Room 667
Knoxville, TN 37902

Dear Mr. Evans,

Commercial & Investment Properties is pleased to submit the enclosed proposal to develop the site of the State Supreme Court site in downtown Knoxville.

As one of the last large parcels of developable land in the central downtown area, we recognize the importance of well-planned, strategic development to support the City of Knoxville in continued downtown growth and expansion.

The enclosed proposal for a mixed-use development will enhance connectivity to surrounding development initiatives and amenities, as well as create pedestrian-friendly spaces that will be utilized by the building's residents and office workers and downtown pedestrians and visitors. THE HENLEY CENTER development will return the property to the tax rolls, create significant economic impact in business and tourism and create new life along the Henley Corridor.

Thank you for the opportunity to present our proposal. We look forward to working with the City of Knoxville to create new spaces and opportunities to encourage further growth in the Central Business Improvement District.

Sincerely,

Nicholas G. Cazana
President, Commercial and Investment Properties



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THE HENLEY CENTER

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TAB 3

TAB 3
SUBMISSION FORMS

THE HENLEY CENTER

A place to live, work & play



**Commercial &
Investment
Properties**

CITY OF KNOXVILLE
REQUEST FOR PROPOSALS

**Purchase, Design, and Development of the
Former Supreme Court Site
Submission Form S-1**

**Proposals to be Received by 11:00:00 a.m., Eastern Time, October 10, 2016,
in Room 667-674, City/County Building, Knoxville, Tennessee.**

IMPORTANT: Proposals shall include eleven (11) hard copies (one original and ten duplicates—mark the original as such) and one electronic copy of the proposal (CD only—mark the storage device with the company name); the electronic version shall be an exact duplicate of the original, and the electronic version will be the official document exhibited in the contract.

Please complete the following:

Legal Name of Proposer: Commercial & Investment Properties, Co.


Address: 1225 E. Weisgarber Road, Suite 160, Knoxville, TN 37909

Telephone Number: 865-584-3967

Fax Number: 865-584-4317

Contact Person: Nicholas G. Cazana

Email Address: ngcazana@ciprop.com

Signature:  _____

Name and Title of Signer: Nicholas G. Cazana, President

Note: Failure to use these response sheets may disqualify your submission.

NON-COLLUSION AFFIDAVIT OF PRIME BIDDER

State of Tennessee

County of Knox

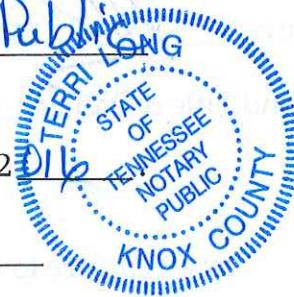
Nicholas G. Cazana, being first duly sworn, deposes and says that:

- 1) He is owner, partner, officer, representative, or agent of, the Bidder that has submitted the attached Bid;
- 2) He is fully informed respecting the preparation and contents of the attached Bid and of all pertinent circumstances respecting such Bid;
- 3) Such Bid is genuine and is not a collusive or sham Bid;
- 4) Neither the said Bid nor any of its officers, partners, owners, agents, representatives, employees, or parties in interest, including this affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly, with any other Bidder, firm or person to submit a collusive or sham Bid in connection with the Contract for which the attached Bid has been submitted or to refrain from proposing in connection with such Contract, or has in any manner, directly or indirectly, sought by agreement or collusion or communication or conference with any other Bidder, firm, or person to fix the price or prices in the attached Bid or of any other Bidder, firm, or person to fix any overhead, profit, or cost element of the bid price or the bid price of any other Bidder, or to secure through any collusion, conspiracy, connivance or unlawful agreement any advantage against the City of Knoxville or any person interested in the proposed Contract; and
- 5) The price or prices quoted in that attached Bid are fair and proper and are not tainted by any collusion, conspiracy, connivance or unlawful agreement on the part of the Bidder or any of its agents, representatives, owners, employees, or parties in interest, including this affidavit.

Signed:  

Title: President TN Notary Public

Subscribed and sworn to before me this 3rd day of October, 2018



My commission expires: August 31, 2019

NO CONTACT/NO ADVOCACY AFFIDAVIT

State of Tennessee

County of Knox

Nicholas G. Cazana, being first duly sworn, deposes and says that:

(1) He/She is the owner, partner, officer, representative, or agent of:

Commercial & Investment Properties, Co.

Nicholas G. Cazana, the Proposer that has submitted the attached Proposal;

(2) The Proposer Nicholas G. Cazana swears or affirms that he/she will abide by the following "No Contact" and "No Advocacy" clauses:

a) **NO CONTACT POLICY:** After the posting of this solicitation to the Purchasing Division's website, any contact initiated by any proposer with any City of Knoxville representative concerning this proposal is strictly prohibited, unless such contact is made with the Purchasing Agent (Boyce H. Evans) or Assistant Purchasing Agent (Janice McClelland). Any unauthorized contact may cause the disqualification of the proposer from this procurement transaction.

b) **NO ADVOCATING POLICY:** To ensure the integrity of the review and evaluation process, companies and/or individuals submitting proposals for any part of this project, as well as those persons and/or companies representing such proposers, may not lobby or advocate to the City of Knoxville staff including, but not limited to, members of City Council, Office of the Mayor, Department of Redevelopment or any other City staff.

Any company and/or individual who does not comply with the above stated "No Contact" and "No Advocating" policies may be subject to having their proposal rejected from consideration.

Signed: 

Jerri Long

Title: President

TN Notary Public



Subscribed and sworn to before me this 3rd day of October, 2016

My commission expires: August 31, 2019

EQUAL BUSINESS OPPORTUNITY PROGRAM CONTRACTING COMPONENT

SECTION I

EQUAL BUSINESS OPPORTUNITY PROGRAM “GOOD FAITH EFFORT PLAN”

The City of Knoxville strongly encourages contractors to employ minority owned businesses and women owned businesses as subcontractors whenever feasible. This is viewed favorably by the City of Knoxville. In fact, the City’s goal for minority and women owned business participation is 10 percent of the contract amount.

Prime contractors will consider all competitive sub-bids and quotations received from minority owned businesses (MOB) and women owned businesses (WOB). When a subcontract is not awarded to the MOB/WOB submitting the lowest bid, the prime contractor must document the reason(s) the award was not made in writing. If the Contractor terminates an agreement and/or subcontract with a MOB/WOB, then the contractor is required to strongly consider selection of another MOB or WOB as a replacement.

GOOD FAITH EFFORTS

1. Soliciting through all reasonable and available means.
 - a. Advertising
 - b. Written notices to all certified MOB’s and WOB’s who have the capability to perform the work or provide the service.
 - c. Solicitation of interest must be within sufficient time to allow MOB’s and WOB’s to respond to the solicitation.
 - d. Faxes, direct mailings, and telephone requests.
2. Providing interested MOB’s and WOB’s with adequate information about plans, specifications, and requirements of the contract in a timely manner to assist them in responding to a solicitation.
3. Negotiating in good faith with interested MOB’s and WOB’s. It is the bidder’s/proposer’s responsibility to make opportunities available to MOB’s and WOB’s subcontractors and suppliers and to select opportunities consistent with the available MOB/WOB business subcontractors and suppliers. Evidence of such negotiations includes the names, addresses, and telephone numbers of MOB’s and WOB’s considered.
 - a. A description of the specifications for the work selection for subcontracting
 - b. Evidence why agreements could not be reached for MOB’s and WOB’s to perform the work.
4. Effectively using the services of available minority, women contractor groups, local minority and women business assistance offices, small business groups, and other organizations on a case-by-case basis to provide assistance in the recruitment and placement of minority/women business.

Section II

MOB/WOB SUBMITTAL TIME FRAME

The Contractor will submit the following forms with the bid/proposal:

1. “Statement of Intent for MOB/WOB Utilization” (Form I Attached)

This form will be submitted by the bidder/proposer if he/she plans to subcontract any portion(s) of the work with a MOB and/or a WOB. This form illustrates the areas the Contractor has identified as potential MOB and/or WOB subcontract opportunities and the dollar value associated with these opportunities. The purpose of “Form I” is to measure the Contractor’s “Good Faith Efforts.” It does not commit the prime to subcontracting these areas only to MOB and WOB firms or release the prime from negotiating with MOB/WOB firms for subcontract opportunities.

OR

“Statement of Intent of Performing Work Without Subcontracting” (Form II Attached)

This form will be submitted if the bidder/proposer does not plan to subcontract any portion(s) of the work and if there are not any sufficient material purchases in which MOB/WOB firms can be utilized. The bidder/proposer must certify that this has been a typical practice on projects of similar scope and dollar value. By submittal of Form II, the Contractor certifies that:

He/she does not typically subcontract on projects of similar scope and dollar value.

He/she will not enter into any subcontract for duration of the project, and if he/she does decide to subcontract any portion of the work, he/she will: notify the City immediately of the decision to subcontract and adhere to the provision of “Good Faith Efforts” in filling that subcontract opportunity.

The Purchasing Division may request the apparent low bidder/proposer to provide additional information to clarify the bidder’s/proposer’s responsiveness and intent in this regard.

These documents will be received by the Purchasing Division upon submission of a proposal/bid. Additionally, prime contractors who submit Form I stating their intent to use MOB or WOB subcontractors for any part of the contract are required to report the amount(s) they have paid to these subcontractors on June 30th and December 31st of each year. Failure to submit this reporting data may result in a delay of payments. At the time of the final request for payment, the prime shall submit a Statement of Final Payments to MOB and WOB Subcontractors and Suppliers (Form III attached). Final payment will not be released by the City until Form III is submitted.

Section III

DEFINITIONS

Minority: A person who is a citizen or lawful admitted permanent resident of the United States and who is a member of one (1) of the following groups:

- a. Black American, which includes persons having origins in any of the Black racial groups of Africa;
- b. Hispanic American, which includes persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, regardless of race;
- c. Native American, which includes persons who are American Indians or Alaska Native;
- d. Asian-Indian American, which includes persons whose origins are from Indian, Pakistan or Bangladesh.
- e. Asian-Pacific Islander, which includes persons whose origins are from Japan, China, Taiwan, Korea, Vietnam, Laos, Cambodia, the Philippines, Samoa, Guam, the U. S. Trust Territories of the Pacific and Northern Marinas.

Minority Owned Business (MOB), Women Owned Business (WOB): A business which is at least (51%) owned and controlled by minority group members or European American female(s). A MOB/WOB is bona fide only if the minority group interests are real and continuing and not created solely to meet the MOB/WOB requirement. In addition, the MOB/WOB must perform satisfactory work or services to provide supplies under the contract and not act as a mere conduit. In short, the contractual relationship must be bona fide. Certification of minority owned businesses and women owned businesses is provided by City Community Relations Office.

Owned and Controlled: A business which is (1) a sole proprietorship legitimately owned by an individual who is a minority or European American female; (2) a partnership or joint venture controlled by minorities or European American females, and in which at least (51%) of the beneficial ownership interests legitimately are held by minorities or European American females; or (3) a corporation or other entity controlled by minorities or European American females, and in which at least 51% of the voting interests and 51% of the beneficial ownership interests are legitimately held by minorities or European American females. In addition, these persons must control the management and operation of the business on a day-to-day basis.

Subcontractor: Any named person, firm, partnership, or corporation which supplies any work, labor, services, supplies, equipment, materials, or any combination of the foregoing contract with the contractor on a public contract.

FORM I

**STATEMENT OF INTENT OF MOB/WOB UTILIZATION
(TO BE SUBMITTED WITH THE BID/PROPOSAL)**

We, Johnson & Galyon, Inc., do certify that on the
(Bidder/Proposer)
Former State Supreme Court Site
(Project Name)
Approximate Estimate \$50,000,000.00
(Dollar Amount of Bid)

MOB/WOB's will be employed as subcontractor(s), vendor(s), supplier(s), or professional service(s). The estimated dollar value of the amount that we plan to pay the MOB or WOB subcontractor(s), vendor(s), supplier(s), or professional service(s) is \$ \$5,000,000.00.

MOB/WOB Utilization Description of Work

Civil Engineering			Cannon & Cannon
All other MOB & WOB entities To Be Determined once Design is complete			

The undersigned understands that they are to report the annual amount disbursed to these MOB(s) /WOB(s) on June 30th of each year. Moreover, the undersigned understands that he/she is required to report the total amount disbursed to MOB(s)/WOB(s) for this project at the completion of the project and that payments may be withheld until these reporting requirements are met.

DATE: October 10, 2016 COMPANY NAME: Johnson & Galyon, Inc.

SUBMITTED BY: 
 (Authorized Representative) Doug Kennedy

TITLE: Chief Executive Officer

ADDRESS: 1130 Atlantic Avenue

CITY/STATE/ZIP CODE: Knoxville, TN 37917

TELEPHONE NO: (865) 688-1111

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TAB 4
**PROPOSAL SUMMARY/
EXECUTIVE SUMMARY**

THE HENLEY CENTER

A place to live, work & play



**Commercial &
Investment
Properties**

TAB 4: PROPOSAL SUMMARY/EXECUTIVE SUMMARY

The State Supreme Court site represents one of the last, large developable parcels in downtown Knoxville. The strategic development of this site is vital to continuing the momentum in Knoxville's thriving downtown.

Commercial & Investment Properties has reviewed the market research and demand, as well as the city's vision for the continued development of this area, and presents the following proposal for a mixed-used property that would add downtown residents, recruit business to the center city and support tourism by providing additional parking for the Knoxville Convention Center.

The mixed-use development will include:

- 70 luxury apartment residences
- 100,000 square feet of modern retail and office space
- 425 parking spaces
- Street-level retail spaces along Locust Street
- Restaurant space with outdoor seating at the corner of Locust Street and Church Avenue

The varied proposed uses of development will bring diverse new groups to downtown, including residents, office workers and retail customers. Also, the development will provide additional tax revenues from new downtown businesses and increased economic impact from tourism, retail and restaurant spaces.

THE HENLEY CENTER will meet the pressing downtown need for modern, expansive office space with upscale amenities and technology. With Knoxville's current stock of aging office space, downtown does not meet the needs of a modern business or corporate headquarters. By not being prepared, Knoxville will lose this market to our competitor cities that are making changes to attract these companies.

The development of pedestrian-friendly space with street-level retail and restaurant space will create foot traffic that is now absent in this large city block and will bring additional patrons from Market Square and Gay Street to the Henley Corridor. Additionally, an envisioned glass-covered walkway across Henley Street directly into the Knoxville Convention Center, if added, could create connectivity with the World's Fair Park, Cumberland Avenue development and the University of Tennessee.

In summary, THE HENLEY CENTER positions Knoxville for future economic growth and downtown development. The stunning 10-story glass building will become a landmark on Henley Street that will honor the history of the site with repurposed materials from the former State Supreme Court building and create an architecturally significant, modern structure that brings greater density and multiuse features to an underutilized area of downtown.

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TAB 5
PROPOSER'S QUALIFICATIONS

THE HENLEY CENTER

A place to live, work & play

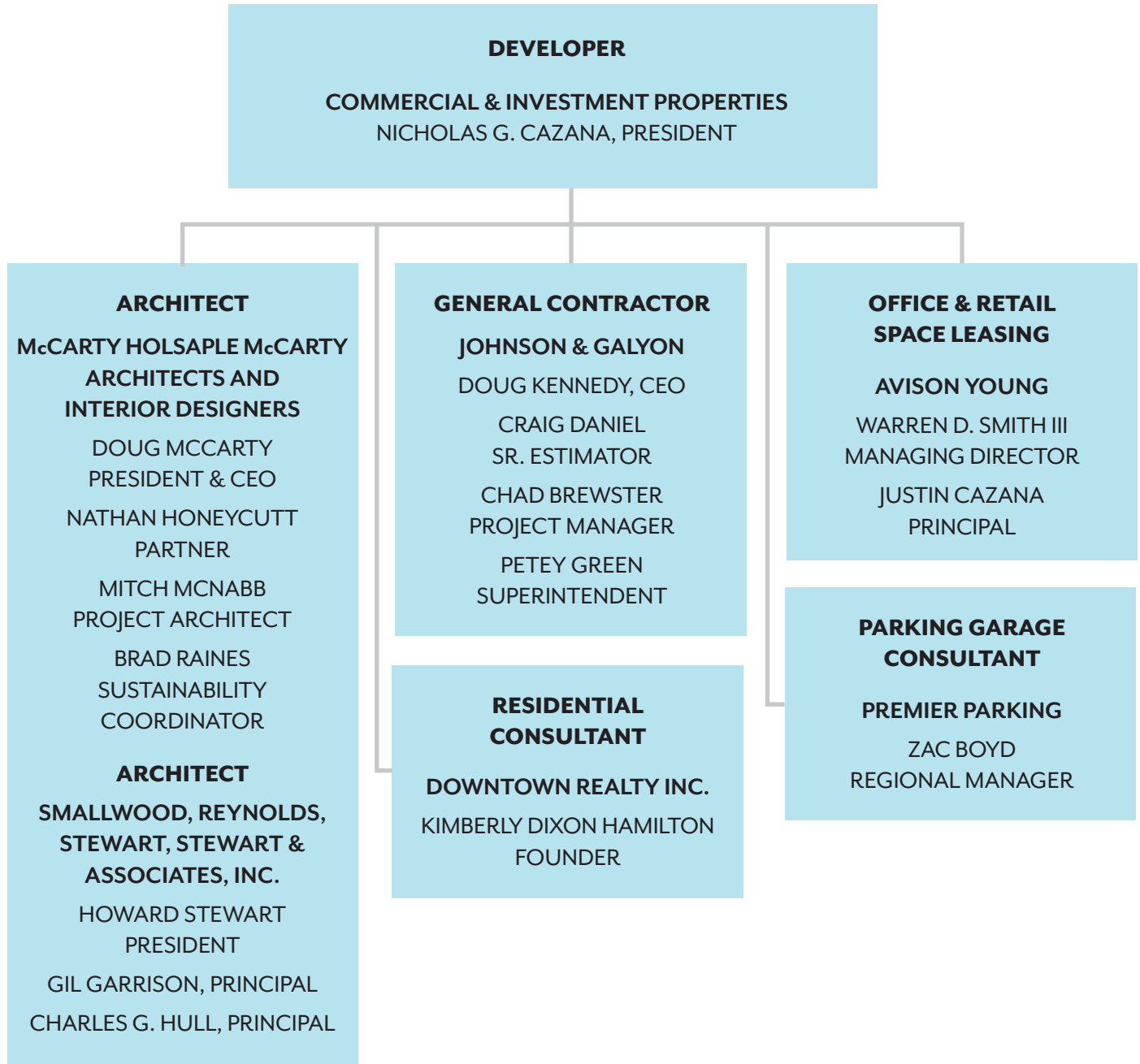


**Commercial &
Investment
Properties**

TAB 5: PROPOSER'S QUALIFICATIONS

ORGANIZATIONAL CHART

THE HENLEY CENTER Development Team



Nicholas G. Cazana is the main contact for this proposal and is the sole representative of the development team with authority to negotiate matters associated with this proposal.

FIRM OVERVIEWS



Commercial & Investment Properties

COMMERCIAL & INVESTMENT PROPERTIES

1225 E. WEISGARBER ROAD, SUITE 390
KNOXVILLE, TN 37909
865-584-3967 • WWW.CIPROP.COM

FIRM DESCRIPTION

Founded in 1974, Commercial & Investment Properties (CIP) is responsible for many top commercial projects in the region. Owned and operated by President Nicholas G. Cazana, CIP specializes in offering tenants the design, construction and conveniences that allow them to compete at the highest level and adapt to the high-tech needs of modern businesses.

CIP's projects also provide tenants and guests with the latest technological amenities; responsive, efficient maintenance and management; and high-quality and cost-effective construction. CIP has overseen construction of 1.2 million square feet of commercial space, as well as hotel and residential projects.

CIP has maintained an advanced, tenant and guest-friendly standard through ongoing study and review of trade journals and market research and surveys of real estate brokers and tenants.

A long list of major tenants have stayed and grown with the development company's facilities. These long-term tenants include the University of Tennessee Medical Center, IT Corporation, Ford Credit, Hewlett-Packard, WTNZ Fox 43, AT&T, Medtronic, Nationwide Insurance, C.H. Robinson and Lattimore, Black, Morgan & Cain, PC,

DEVELOPMENT EXPERIENCE

NEW CONSTRUCTION

Central Park West I & II
100,000 square feet, Knoxville

Gallery at Rivergate
80,000 square feet, Nashville

Wimbledon Park
27,000 square feet, Knoxville

Wimbledon Commons
36,500 square feet, Knoxville

Northshore Medical Plaza
23,000 square feet, Knoxville

The Atrium
83,000 square feet, Knoxville

REDEVELOPMENT

First Bank Building
52,000 square feet,
Downtown Knoxville

Grand Union Building
56,000 square feet,
Downtown Knoxville

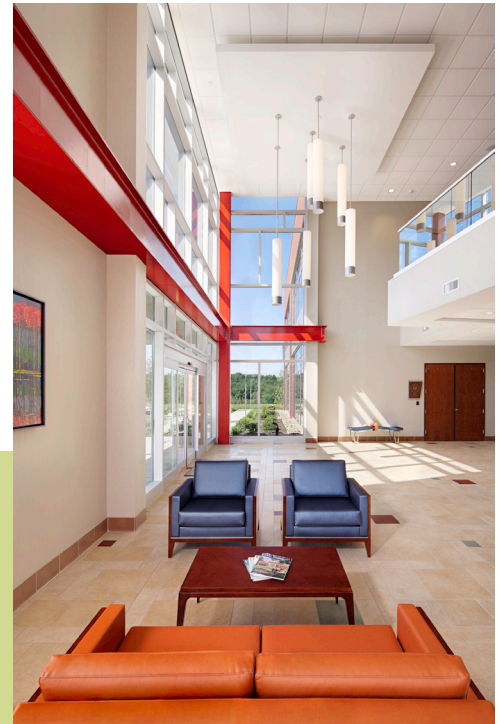
The Shops at Western Plaza
202,547 square feet, Knoxville

Corporate Square
141,000 square feet, Knoxville

PROJECT EXAMPLES

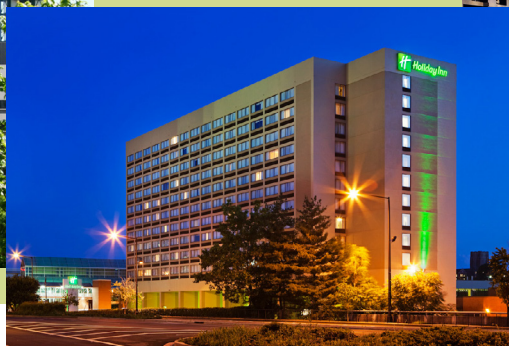
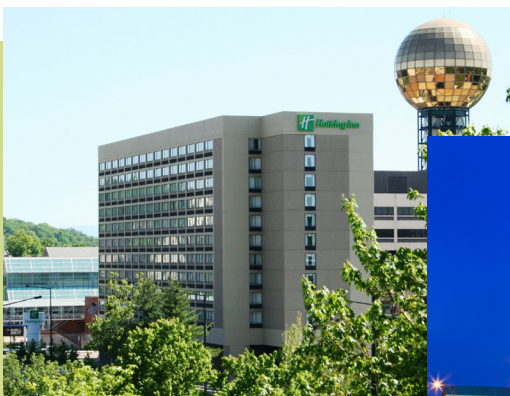
CENTURY PARK

Marketed as Knoxville's first comprehensive office park, Century Park will contain nearly one million square feet of office space, including banking facilities, a hotel and conference center. The first phase of development was 100-percent leased. To date, four buildings have been constructed, including more than 200,000 square feet of office space.



HOLIDAY INN WORLD'S FAIR PARK

In 2014, CIP completed a \$18 million renovation of the Holiday Inn World's Fair Park into a premier hotel facility in downtown Knoxville. The three-year project was accomplished without disruption of the hotel's operation, which includes 286 guest rooms. The renovation included an upgrade of the restaurant, Windows on the Park, with a new menu and lounge area with comfortable seating and a stunning view of the World's Fair Park lawn. The renovation also upgraded the facility's meeting rooms to increase revenue from conferences, meetings and groups using the facility. Additionally, CIP recently upgraded the Holiday Inn's emergency management systems to improve sustainability and reduce the impact of the building on the natural environment. The energy efficiency upgrades totaled more than \$500,000.



THE TENNESSEAN

Once completed in 2017, THE TENNESSEAN Personal Luxury Hotel and Residences will offer 82 rooms and suites, meeting and event space, fitness center, valet parking and room service, in addition to other amenities. Both area visitors and local residents will enjoy fine spirits in a refined, contemporary atmosphere in the hotel's Drawing Room.

Located in downtown Knoxville, the \$26 million redevelopment of the State Office Building overlooks World's Fair Park and is connected to the Knoxville Convention Center via glass-covered walkway.



DEVELOPER BIO



NICHOLAS G. CAZANA

Role: Nicholas G. Cazana will serve as the developer for the financing and oversee the development team on the execution of the project. He will be the main contact with the City of Knoxville for questions about this proposal.

Nicholas G. Cazana is president of Commercial & Investment Properties Co. He has been in the real estate business for 47 years, with a main focus on commercial real estate development – including office, retail and industrial – as well as residential. Cazana has owned and developed more than 35 properties in the Knoxville area. These developments equate to 2 million square feet of commercial space and include several build-to-suit projects for medical and technology clients.

ONGOING PROJECTS:

- Century Park at Pellissippi: 1 million square feet of office space, of which 200,000 square feet have been developed
 - Value of the 200,000 square feet: \$40 million

- Holiday Inn World’s Fair Park redevelopment project
 - Value: \$18 million
- The Tennessean Personal Luxury Hotel & Residences redevelopment project
 - Value: \$28 million
- 75 Regional Commerce Park: industrial park in Sweetwater, Tennessee, currently under development

REDEVELOPMENT PROJECTS

- First Bank Building (Bank of Knoxville)
- Grand Union Building
- Western Plaza Shopping Center
- Melrose Place Shopping Center

PARKING GARAGES OWNED

- Pryor Brown Garage
- Hilton Parking Garage
- Holiday Inn Parking Garage

REFERENCES

MR. ROBERT J. KIRCHNER

Vice President
 AMERICAN NATIONAL
 INSURANCE CO.
 One Moody Plaza
 Galveston, TX 77550
 281-538-4831

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President & CEO
 COMMERCIAL BANK
 6710 Cumberland Gap Parkway
 P.O. Box 400
 Harrogate, TN 37754
 423-869-5151

MR. NICK JACKSON

Sr. Vice President
 SOUTHEAST BANK
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 Farragut, TN 37934
 865-824-3349

MS. ANGIE BECKER

Portfolio Manager
 ESSEX FINANCIAL SERVICES LLC
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 Denver, CO 80293
 720-361-4151

MR. DAVID C. VERBLE

President/CEO
 CITIZENS NATIONAL BANK
 P.O. Box 4610
 Sevierville, TN 37864
 865-429-7514

MR. BRANDON ENGLAND

SOUTHEAST COMMUNITY
 CAPITAL CORP dba PATHWAY
 LENDING
 201 Venture Circle
 Nashville, TN 37228
 615-425-7192

MR. JONATHAN BARKER

RENASANT BANK
 329 E Broadway
 P.O. Box 6169 (37802)
 Maryville, TN 37804
 865-380-7669



**MCCARTY HOLSAPLE MCCARTY
ARCHITECTS AND INTERIOR DESIGNERS**

500 W. MAIN ST., SUITE 300 • KNOXVILLE, TN 37902
865-544-2000 • WWW.MHMINC.COM

FIRM DESCRIPTION

McCarty Holsaple McCarty (MHM) is a full-service architectural, interior design and planning firm with more than 50 years of history in designing the region’s landmark structures. Founded by renowned Knoxville architect Bruce McCarty, the firm now has more than 30 talented architects and provides a large team to handle large, complex design projects while providing the personal, responsive service associated with a small firm.

The firm has made a significant impact in East Tennessee. Out of 15 projects identified by the East Tennessee chapter of the American Institute of Architects (AIA) as the best examples of regional architecture in the past 150 years, six of these projects either were designed or underwent significant renovations under McCarty Holsaple McCarty.

RELEVANT PROJECT EXPERIENCE		
Food City Corporate Headquarters - Abingdon, Virginia	Goody’s Corporate Headquarters - Knoxville, Tennessee	TVA Office Complex - Knoxville, Tennessee
AAA of East Tennessee Office Complex - Knoxville, Tennessee	Coulter & Justus - Knoxville, Tennessee	Keurig Green Mountain Facility - Knoxville, Tennessee
Bank of America Building - Knoxville, Tennessee	Kimberly Clark Corporate Headquarters - Knoxville, Tennessee	Phillips Consumer Electronics Corporate Headquarters - Knoxville, Tennessee
Rockwood Electric Utility Administrative and Operation Facility - Rockwood, Tennessee	Knoxville Utilities Board Corporate Headquarters - Knoxville, Tennessee	Toyoda TRW Facility - Morristown, Tennessee
Regal Entertainment Group Headquarters - Knoxville, Tennessee	Hallsdale-Powell Utility District Corporate Headquarters - Knoxville, Tennessee	CTI Computer Technology & Imaging Manufacture and Office Complex - Knoxville, Tennessee
Bush Brothers & Company Corporate Headquarters - Chestnut Hill, Tennessee	Kingsport Center for Higher Education - Kingsport, Tennessee	ORNL Chestnut Ridge Maintenance and Support Facility - Oak Ridge, Tennessee
EdFinancial Corporate Headquarters - Knoxville, Tennessee	Terraces Office Complex - Knoxville, Tennessee	Perceptics - Farragut, Tennessee

SAMPLE PROJECTS

BANK OF AMERICA BUILDING AND PARKING GARAGE

The Bank of America Building is a nine-story office building and 470-space parking structure. Bank of America's downtown Knoxville office occupies the entry level and second floor; on the upper floors, the tenants are primarily professional firms.

The 105,000-square-foot office building is set back from Main Street on a raised landscape platform.

This is consistent in design with the neighboring First Baptist Church, as well as with the nearby City County Building and Knox County Courthouse.



KNOXVILLE CONVENTION CENTER

The Knoxville Convention Center has provided Knoxville with more than \$794 million in economic impact since its construction in 2002. In a joint venture with TVS Architects, MHM designed and completed construction for the 500,000-square-foot-facility, which includes a dramatic ballroom, exhibition halls, meeting rooms and lecture hall, as well as administrative offices and food service preparation areas.



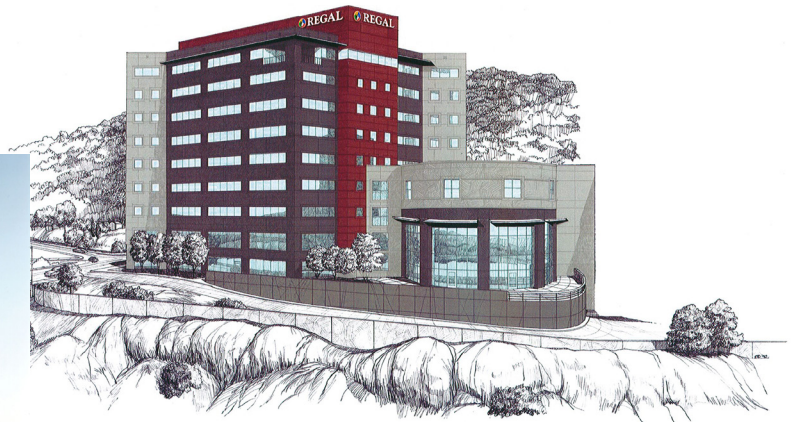
K-VA-T FOOD STORES (FOOD CITY) CORPORATE HEADQUARTERS

The Food City Corporate Headquarters is a new, four-story office building and conference center complex that was built on the old Johnson Memorial Hospital site in Abingdon Virginia. The 120,000-square-foot building includes a central atrium space with monumental staircase, interior water feature, contemporary open office space, a café environment and a large conference center wing.



BAPTIST MEDICAL OFFICE BUILDING/REGAL ENTERTAINMENT GROUP HEADQUARTERS

McCarty Holsaple McCarty designed the nine story, 150,000-square-foot office building originally as the Medical Office Building for Baptist Hospital, but most recently completely redesigned the space as the new corporate headquarters for Regal Entertainment Group.



ARCHITECT TEAM BIOS



DOUGLAS H. MCCARTY

President and CEO • Principal In Charge

Role: Doug McCarty will lead the design team for the project and will closely coordinate the services of the entire team.

McCarty is the president and chief executive officer of McCarty Holsaple McCarty, Inc. In addition, he serves as MHM's Director of Design and oversees all design of projects. McCarty has been involved with many of East Tennessee's most prominent projects, including the Knoxville Convention Center, McGhee Tyson Airport Terminal Expansion and

Improvements, renovations to University of Tennessee Neyland Stadium and restoration of the Tennessee Theatre.

Doug also has been involved with many office buildings/corporate headquarters and other structures which include:

- TVA Knoxville Office Complex - Knoxville, Tennessee
- Goody's Corporate Headquarters & Distribution Center - Knoxville, Tennessee
- Food City Corporate Headquarters - Abingdon, Virginia
- Regal Entertainment Group Corporate Headquarters - Knoxville, Tennessee
- ORNL Chestnut Ridge Maintenance Shop - Oak Ridge, Tennessee
- Computer Technology & Imaging (CTI) - Knoxville, Tennessee
- Philips Consumer Electronics - Knoxville, Tennessee
- Toyoda TRW Automotive Manufacturing Facility - Maryville, Tennessee
- The Tennessean Personal Luxury Hotel and Residences - Knoxville, Tennessee



NATHAN HONEYCUTT, AIA

Project Manager and Architect Designer • Partner

Role: As project manager, Nathan Honeycutt will be responsible for day-to-day communication for the project.

Honeycutt joined McCarty Holsaple McCarty in October 2011. He previously worked for Thompson Ventulett Stainback & Associates (TVS) in Atlanta, Georgia, and Honeycutt Architecture in Greeneville, Tennessee. During his time with TVS, he was selected to help start the Dubai office in the United Arab Emirates where he lived and worked for four years. As

part of the design team, Honeycutt worked on the Vision Tower, the Dubai Tower and the Tower D at the Lagoon's in Dubai.



MITCH MCNABB, AIA, LEED AP

Project Architect

Role: Mitch McNabb will be coordinating the design team consultants' documents and will lead the quality control program for this project.

McNabb joined MHM in 2008 and is an associate of the firm. He has over 40 years of experience as a licensed architect. His experience includes all phases of design and construction administration. McNabb has been the project architect and partner in charge of numerous educational, religious, industrial, postal, governmental and hurricane repair projects.



BRAD RAINES, AIA, LEED AP BC+D

Sustainability Coordinator

Role: Brad Raines will be coordinating the sustainable design approach for this project.

Raines joined MHM in 2014 as a project architect. Prior to joining MHM, he worked as an architect with Elizabeth Eason Architecture, LLC. His nine years of experience include historical renovations and commercial office buildings, educational, municipal and multi-family projects.

REFERENCES

TENNESSEE VALLEY AUTHORITY (TVA) - KNOXVILLE OFFICE COMPLEX (KOC)

Ms. Robin Vasa

rlvasa@tva.gov

(865) 632-3852

K-VA-T FOOD STORES (FOOD CITY) CORPORATE HEADQUARTERS

Mr. Don Smith

smithd@foodcity.com

(276) 623-5100

REGAL ENTERTAINMENT GROUP HEADQUARTERS (BAPTIST M.O.B. BLDG.)

Mr. Ronald Kooch

ronald.kooch@regalcinemas.com

(865) 922-1123

HALLSDALE-POWELL UTILITY DISTRICT

Mr. Darren Cardwell

DCardwell@hpud.org

(865) 922-7547

**SMALLWOOD REYNOLDS
STEWART STEWART**

ONE PIEDMONT CENTER
3565 PIEDMONT ROAD, SUITE 303
ATLANTA, GEORGIA 30305 USA
404-233-5453

Smallwood, Reynolds, Stewart, Stewart & Associates, Inc., is an internationally established design firm providing innovative professional services for corporate, commercial, hospitality, residential, industrial, government and educational projects. The majority of its services are commissioned by repeat clients in the real estate and development industry. The many longstanding relationships reflect our ongoing commitment to quality design and responsive service.

Founded in 1979, the firm is headquartered in Atlanta, Georgia, with additional offices in the Republic of Singapore, Shanghai, P.R.C. and Dubai, U.A.E.

Smallwood, Reynolds, Stewart, Stewart & Associates, Inc., its subsidiaries and affiliated companies offer design services in architecture, interior design, master planning, graphic design and landscape architecture. The firm's widely acclaimed design solutions reflect its ability to creatively respond to the unique objectives of each project while incorporating high standards for quality, technical competence and cost control.

**MIXED-USE PROJECT
EXPERIENCE**

- Urban hotels
- Boutique hotels
- Hotel residences
- High-rise condominiums
- Speculative and corporate office buildings
- Retail anchors
- Street-level retail
- Low-rise townhouses
- Museum galleries
- Public parking
- Secured parking
- Amenity terraces
- Urban plazas
- Pedestrian streetscapes

PROJECT EXPERIENCE

HEARST TOWER

Charlotte, North Carolina

This 47-story, 935,000-square-foot office building is located on North Tryon Street in downtown Charlotte and includes a 1,500-car parking deck, an urban plaza and associated retail amenities. The new open space at the street preserves the pedestrian-friendly scale of the area and provides a focus for the activities generated by the 40,000 square feet of retail, restaurant and entertainment space located on the building's first three floors.



CENTERGY AT TECHNOLOGY SQUARE

Atlanta, Georgia

The award winning mixed-use development includes Centergy One, a 13-story, 530,000-square-foot office building whose major tenant is the Advanced Technology Development Center (ATDC) and The Technology Square Research Building, a five-story, 210,000-square-foot build-to-suit office building for the Yamacraw Design Center, an 8-story parking garage, 60,000 square feet of street-level retail along 5th Street and a signature urban plaza. Centergy offers an unprecedented opportunity for research and technology leaders of the business world to work with direct access to the Georgia Institute of Technology, one of our country's leading research institutions.



POINSETT PLAZA

Greenville, South Carolina

Poinsett Plaza is a distinctive 11-story class A office building located at the corner of South Main Street and McBee Street in downtown Greenville, South Carolina. The exterior façade treatment derives its character from the rich Art Deco influence of the existing Carolina First Bank building, originally designed and constructed in the early 1900s. The building includes 10 stories of office space with penthouse apartments on the 11th floor and is set back from the street to allow for an entrance courtyard for building patrons.



JOHNSON & GALYON

C O N S T R U C T I O N

JOHNSON & GALYON

1130 ATLANTIC AVE.
KNOXVILLE, TN 37917
865-688-1111
WWW.JOHNSONGALYON.COM

Since 1914, the owners and employees of Johnson & Galyon have provided a continuity of responsibility and commitment to our clients that has allowed the firm to build lasting client relationships.

During the past five years, Johnson & Galyon has completed approximately \$375 million in construction in the area. Johnson & Galyon has extensive experience working with project teams providing a full range of both pre-construction and construction services. In the past five years, through an early selection of the contractor, the firm has served as a construction manager partner with project teams on \$250 million of construction in the market.

Johnson & Galyon's project experience includes commercial office and retail projects, health care industry, educational and governmental agencies, manufacturing and distribution facilities, religious institutions and residential clients. The firm has the history, experience and system in place to complete projects on time and within budget and exceed client expectations.

The firm has demonstrated numerous times its ability to work with and satisfy the public sector client.

RELEVANT PROJECT EXPERIENCE

The Tennessean
Role: Project Executive
*Adaptive Reuse State OFB
\$17,800,000

Holiday Inn World's Fair Park
Role: Project Executive
*Renovations \$5,000,000

University of Tennessee Knoxville
Role: Project Executive
*Natalie Haslam Music Bldg.
\$30,000,000

*Neyland Stadium Renovations
Phase 1a \$22,568,000
Phase 1b \$20,470,000

*Support Services Complex
\$15,000,000

East Tennessee Children's Hospital
Role: Project Executive

*NICU & Surgery Addition
\$54,347,000

*Renovations \$7,500,000

BIOS



DOUG KENNEDY

Chief Executive Officer • Project Executive

Role: Doug Kennedy has overall responsibility of the project to ensure that the project has the necessary resources to be completed on schedule, within budget and meets all quality standards.

Kennedy has more than three decades of experience in the construction industry, joining Johnson & Galyon Construction in 2001. Throughout his career, he has been a part of a number of notable projects, including: East Tennessee Children's Hospital – NICU & Surgery Addition, additions and renovations to Neyland Stadium, Whittle Communications Corporate Building (now the Howard Baker Federal Courthouse), Dover Downs Hotel & Convention Center (Dover, Delaware), renovations at Rockefeller Center in New York City and the renovation and restoration of Ayres Hall – a landmark structure at the University of Tennessee.



CHAD BREWSTER

Project Manager

Role: Chad Brewster will be responsible for the construction phase of the project managing costs, schedule and document control. He will ensure all aspects of our quality and safety programs are implemented.

Brewster has more than 13 years of industry experience. At Johnson & Galyon, he has served as project manager on multiple multi-million projects for some of the largest clients in East Tennessee, including the \$54 million East Tennessee Children's Hospital NICU and Surgery Addition and the \$30 million Natalie Haslam Music Center.



PETEY GREENE

Superintendent

Role: Petey Greene will be responsible for day-to-day activities of the project. He will arrange all trade subcontractor work, labor relations and manpower procurement. He will assure all quality and safety standards are met.

Greene has more than 27 years of experience in the industry. He has extensive construction management experience, including the \$20 million Neyland Stadium Phase 1b and the \$12 million University Health System Cancer Institute.



CRAIG DANIEL

Senior Estimator

Role: Craig Daniel will work with the architects, engineering consultants and subcontractor consultants to provide estimates at each stage of design to ensure accurate budgets for the project and will be involved on the handoff to the construction team.

Daniel has more than 18 years of experience in the construction industry, and he joined the Johnson & Galyon team in 2010. His project list includes The Tennessean, East Tennessee Children’s Hospital NICU and Surgery

Addition and the University of Tennessee Heart Hospital Expansion. He holds a bachelor’s degree in architecture from the University of Tennessee, Knoxville.

PROJECT EXPERIENCE

UT MEDICAL CENTER PARKING GARAGE

The University of Tennessee Medical Center selected Johnson & Galyon to construct a new 755-space parking garage adjacent to the Heart Hospital to provide parking for patients and visitors to the emergency department and hospital.

The pre-cast parking structure consists of 574 individual pre-fabricated pieces with the heaviest piece weighing 74,000 pounds. Concrete slabs were built off-site, transported to the medical center and assembled onsite. The entire project took a little under 12 months to complete and opened in early 2012.



UT STADIUM EASTSIDE CLUB

The East Club located in the University of Tennessee’s Neyland Stadium is a 10,500-square-foot heated and air-conditioned lounge area, accompanied by 422 outdoor under-cover cushioned seats. The lounge area is equipped with indoor cafe seating, bistro tables and drink rails, comfortable restroom facilities, over 30 flat screen televisions and one TV wall.

UHS CANCER INSTITUTE

The University Health System Cancer institute is a \$23 million, 107,000-square-foot building with four stories. The dedicated cancer facility provides a more relaxing and comfortable environment and allowed the hospital to consolidate all of its outpatient services under one roof.



UNIVERSITY OF TENNESSEE MUSIC BUILDING

Completed in 2014, the four-floor, 123,000-square-foot Natalie L. Haslam Music Center houses eight technology-enhanced classrooms; 56 practice rooms; 57 performance studios/academic offices; an organ studio; the 412-seat Sandra G. Powell Recital Hall; the George F. DeVine Music Library; a recording/mixing lab; computer, electronic music and piano labs; and an academic tutoring center. The project was constructed to LEED silver environmental standards.



REFERENCES

JOE PHILLIPS

*Holrob Investments
5500 Lonas Drive, S
Knoxville, TN 37909
865-310-2877
Projects: Clarity Pointe*

TIM WRIGHT

*AAA of East Tennessee
P.O. Box 1107
Knoxville, TN 37901
865-637-1910
Projects: Downtown Renovation, Sales & Retail Offices*

ALEX HARKNESS

*Station Eighty-Two Ltd
4502 South Garden Road
Knoxville, TN 37919
865-525-9839
Projects: L&N Station Renovation Knoxville STEM Academy*

SCOTT CASTLEBERRY

*University Health System
1924 Alcoa Highway
Knoxville, TN 37920
865-305-9552
Surgery Expansion/Renovation
Projects: Parking Garage, Heart Hospital, Cancer Institute*

JOHN GEPPI

*Covenant Health
100 Fort Sanders West Blvd.
Knoxville, TN 37922
865-374-1000
Projects: Parkwest Medical Center, Morristown Hamblen Hospital, Fort Sanders Regional Med. Ctr.*



AVISON YOUNG

6005 LONAS DR. #220
KNOXVILLE, TN 37909
865-450-8883

Avison Young is the real estate partner businesses trust for intelligent, integrated solutions. As a full-service provider, the company delivers results aligned with our clients' strategic business objectives, supporting real estate initiatives that add value and build competitive advantage for your organization.

Over the past three decades, Avison Young has grown to become the world's fastest-growing commercial real estate services firm, and its reach now extends across the United States and into Europe.

Avison Young located to Knoxville in September 2015 aligning itself with a group of real estate professionals with decades of experience in Knoxville and East Tennessee. The group has more than 200 local listings and more than 2 million square feet of managed assets. The firm is the only national commercial real estate firm in the region.

MAJOR TENANT LEASES IN KNOXVILLE WITH THE LAST 24 MONTHS

University Physicians' Association,
31,000 square feet

Great West Casualty,
24,800 square feet

PerfectServe,
27,041 square feet

TDS,
18,757 square feet

BIOS



WARREN SMITH

Managing Director of Tennessee

Warren Smith is a principal and managing director of Avison Young's Tennessee Office. Prior to joining Avison Young, he was the Chief Executive Officer for Cushman & Wakefield | Cornerstone. Smith focuses on executing clients' goals at the highest level by fostering a collaborative culture throughout the Memphis, Nashville and Knoxville teams. He plays an active role in supporting brokerage and management efforts to align client requirements with strategic business, financial and operational objectives.

Prior to joining Cushman & Wakefield, Warren was a partner and president of Mid-South

Financial Corporation, which was merged into Cushman, and president and CEO of Q10/Vista Commercial Mortgage Group, which he remains actively involved and which remains separately owned. Warren has also served as an adjunct professor of Real Estate Finance at the Owen School of Business at Vanderbilt University.

Beginning in the Real Estate Investment Division of MassMutual, Warren's career in real estate spans over 25 years and covers several disciplines within the industry, including mortgage finance, property management, leasing, sales and acquisition. He has built an impressive client roster that includes Sun Life Assurance Company of Canada, MassMutual, Summit Investment Partners, TRP Investments and Canyon Johnson. Warren is a graduate of the University of the South and the Fuqua School of Business at Duke University.

JUSTIN CAZANA, SIOR, CCIM



Principal

N. Justin Cazana is a principal in the Avison Young Knoxville office, specializing in office and retail transactions with experience representing both landlords and tenants. His current portfolio encompasses more than 1.1 million square feet of commercial space.

A Knoxville native, Cazana began his career with Commercial & Investment Properties handling the leasing and marketing of the companies' buildings. This includes Knoxville landmarks such as Century Park at Pellissippi, The Atrium and Two Centre Square. A founding principal of Cushman & Wakefield | Cornerstone's Knoxville office in 2011, he worked with the firm's other partners to develop the only full-service commercial real estate firm in the region.

Cazana has achieved both his CCIM and his SIOR designations and was selected as the Knoxville Business Journal/CCIM Broker of the Year in 2013.



TAB 6
PROPOSER'S FINANCIAL
CAPACITY

THE HENLEY CENTER

A place to live, work & play



**Commercial &
Investment
Properties**

TAB 6: PROPOSER'S FINANCIAL CAPACITY

FUNDING STRATEGY

Through decades of financing and executing significant developments, Commercial & Investment Properties has demonstrated its ability to efficiently manage large-scale development projects from concept to completion, as well as handle the sale or lease of these facilities.

For THE HENLEY CENTER project, the developer has created a new legal entity to develop the former State Supreme Court site in downtown Knoxville. President Nicholas G. Cazana, his family or entities that he controls will hold a controlling interest; however, due to the magnitude of the project, other equity investors may hold an ownership interest to generate the equity investment necessary to complement the debt financing for THE HENLEY CENTER.

Equity will be provided by the developer, his family, family entities and/or investing partners. This was the method used in the development of Holiday Inn, The Tennessean, Century Park Building VII and others. Financing will be from community banks in and around the Knoxville market. (See Letters of Interest on page 33.)

Though the developer is a single entity, it is possible that several components of THE HENLEY CENTER may be structured to involve three separate modes of financing: one method for the office building; another for the luxury apartment residences; and a third for the parking garage. Each component has unique characteristics, which makes it attractive to lending institutions.

The sources of financing and funding for THE HENLEY CENTER will depend on various factors, including market conditions, governmental requirements and lender terms. The developer intends to utilize numerous available forms of financing in a way that will benefit the project. The anticipated types of financing and funding the developer plans to consider are as follows:

1. Conventional financing from banks, insurance companies and other financial institutions to provide construction and permanent nonrecourse long-term financing.

Commercial & Investment Properties has a history of success in obtaining these loans. Throughout its more than 40-year history, the firm has acquired more than \$154 million in construction loans and \$134 million in permanent loans to complete various development projects.

Additionally, please see the Letters of Interest on page 33 from multiple banks providing proof of Commercial & Investment Properties' strong partnerships and reputation among financing agencies. These entities have expressed interest in funding THE HENLEY CENTER project.

2. Payment in Lieu of Tax (PILOT) and Tax Increment Financing (TIF) programs offered by the appropriate governmental authority.

CIP is committed to doing due diligence to negotiate with every possible lender to obtain private financing. A PILOT and/or TIF may be requested to bridge the gap between financing that can be attained and the total cost of the project. In the event that a TIF and/or PILOT are required for any of the three project segments, a 20-year city assistance will be requested.

Because this project is of great significance to downtown Knoxville's continued growth and vibrancy and in the community's best interest, Commercial & Investment Properties will seek approval through appropriate City of Knoxville oversight and work with the third-party entity

to ensure that all avenues for private financing have been examined. CIP anticipates that the majority of the project can be financed through private lenders.

RECENT PAST EXAMPLES OF FUNDING SUCCESS/ FINANCING FOR PRIOR PROJECTS

Commercial & Investment Properties has a history of financing success for projects throughout the region, including:

Holiday Inn World's Fair Park: \$18 million, Commercial Bank and Clayton Bank

The Tennessean Personal Luxury Hotel & Residences: \$28 million, Citizens National Bank of Sevierville. The financing package also included a 12-year PILOT.

The Gallery of Knoxville shopping center: \$11 million, Life of Vermont

10/4/2016

City of Knoxville
Purchasing Division
City/County Building
400 Main Street, Room 667
Knoxville, TN 37902

RE: Letter of Intent

To Whom It May Concern,

Please accept this letter as documentation that Clayton Bank would seek to provide the financing needed to construct the Henley Center, subject to the review of a completed financing packet. Clayton Bank values its relationship with Mr. Cazana and has financed various projects for him and his entities over the course of many years. Mr. Cazana is a proven developer and has an exemplary record with our institution.

If you require any additional information, please do not hesitate to contact me.

Sincerely,



Travis K. Edmondson
CEO
865-545-5110

Clayton Bank and Trust, 520 W. Summit Hill Drive, Knoxville TN 37902

CITIZENS NATIONAL BANK

October 5, 2016

Mr. Nicholas G. Cazana
1225 Weisgarber Road, Suite South 160
Knoxville, TN 37909

Re: Former Tennessee Supreme Court Site

Mr. Cazana,

Citizens National Bank, a national banking association, would like to express our interest in financing the construction of the proposed mixed-use development on the former Tennessee State Supreme Court site, The Henley Center. Based on your past development experience in the Knoxville area, especially the downtown district, as well as your strong financial capacity we would welcome the opportunity to assist you on this project. Our experience working with you and your staff on The Tennessean project has been nothing short of extraordinary and we look forward to assisting you on The Henley Center project.

Please feel free to contact me with any questions and again I look forward to working with you on this exciting project.

Sincerely,



Wes Farragut
Citizens National Bank
Vice President / Commercial Lending
(865)429-7510



P.O. Box 4610 • Sevierville, Tennessee 37864 - 4610
(865) 453-9031 • FAX (865) 429-7599 • Email: bank@cnbtn.com

Member
FDIC



COMMERCIAL BANK

10/3/2016

RE: Former Tennessee Supreme Court Site

To Whom It May Concern:

Commercial Bank values opportunities to consider and finance projects developed by Nicholas G. Cazana and/or Commercial and Investment Properties Co. due to his long proven track record of successful developing and their long valued relationship with Commercial Bank. This bank letter is not a commitment for financing at this time, but rather a letter indicating the Bank's strong interest and recognition of Nick's ability to finance and manage such a project.

Subject to receipt and review of the eventual loan request package and complete project information, Commercial Bank would seek to provide a portion of the needed financing and/or be the lead Bank to provide all the needed financing for THE HENLEY CENTER, a first class mixed use development in downtown Knoxville.

Sincerely,

T Dean LaRue
Executive Vice President, Southern Regional Executive Officer
Commercial Bank

10413 Kingston Pike, Knoxville, TN 37922
Office: 865.769.2245 Ext. 1904 | Fax: 865.769.3893 | NMLS# 706753



October 5, 2016

Mr. Nicholas G. Cazana, President
Commercial & Investment Properties Co.
1225 Weisgarber Road
Suite South 390
Knoxville, TN 37909

RE: Former Tennessee Supreme Court Site

Dear Mr. Cazana:

As we have worked together on many occasions, both Renasant Bank and I appreciate your confidence in us and the opportunity to evaluate how our bank may participate in an exciting proposed mixed use development in Knoxville. The Henley Center, like other Commercial & Investment Properties projects, I am certain will be a value add to Knoxville. Please let this letter serve as a notification of our bank's interest in further evaluating the financing opportunities within the project. My personal history in working with you on multiple projects of scale provide for a supportive back drop in consideration of this opportunity. Thank you again for this opportunity.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Barker", with a stylized flourish at the end.

Jonathan G. Barker
Regional Senior Credit Officer

October 3, 2016

City of Knoxville
Purchasing Division
City/County Building
400 Main Street, Room 667
Knoxville, TN 37902

The Henley Center, LLC
c/o Commercial & Investment Properties, Inc.
1225 Weisgarber Road, Suite 160
Knoxville, TN 37909
Attn: Nicholas G. Cazana

Dear Nick:

This "Term Sheet" constitutes a forum for continued discussion relative to prospective debt financing by SouthEast Bank ("Lender") to The Henley Center, LLC ("Borrower") for a credit facility described below under the following terms and conditions. This is not a commitment to lend and is intended to facilitate communication that could lead to a definitive agreement.

Borrower: The Henley Center, LLC.

Loan Amount: \$7,900,400 to construct a 425 vehicle capacity parking garage ("Garage") at The Henley Center ("Project"), adjacent to the Project's office/retail/apartment structure.

Project Equity: \$1,580,080. No more than half of this figure shall source from tax incentive financing benefits as Borrower is required to inject cash equity equal to 10% of Total Project Cost.

Term: 60 month term.

Repayment: There is an initial 36 month draw period with interest only due in monthly installments. Subsequently, monthly installments consist of principal and interest based on a 23 year amortization.

Interest Rate: Lender reserves the option to adjust pricing based on fluctuations in the credit markets. The following pricing structure is based on prevailing interest rates. Bearing that in mind, Lender contemplates a floating rate equivalent to Wall Street Journal Prime + .50% with a 4.00% floor and 6.75% rate ceiling.

Fees: .625%.

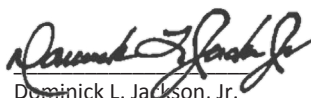
Guarantors: Borrower owners shall grant unlimited guarantees.

Collateral: Lender shall take a first position deed of trust on the Garage condo portion of Project. Other security to consist of assignment of leases and rents and UCC-1s. Loan to value, based on the lesser of appraised value and cost, shall not exceed 80%.

Conditions:	<p>The following apply:</p> <ul style="list-style-type: none"> • Borrower to obtain a Performance Bond and shall assign it to Lender; • Substantial completion of Garage construction will occur in 24 months or less; • Lender to enter into an intercreditor agreement with all Project financiers; • Construction draws limited to percentage of completion as determined by a third party construction inspection specialist. Draw requests shall be submitted in writing in form and substance acceptable to Lender (e.g. AIA forms G-702 and G-703); • Prospective third party closing diligence: (i) appraisal ordered, reviewed and accepted by Lender, (ii) appraisal review, (iii) phase one environmental site assessment, (iv) phase two environmental site assessment, (v) survey, (vi) geotechnical report, (vii) Project feasibility study, (viii) title insurance, (iv) flood certification and (x) engineering budget/plans feasibility study; • Borrower shall provide copies of Project leases; • Stabilized Project debt service coverage to equal 1.25x. Testing shall begin upon receipt of tax returns or Lender approved financial statements after the first full 12 calendar months of Garage operation; • Loan underwriting and annual loan servicing financial reporting requirements include: (i) Borrower tax return, (ii) Borrower financial statements, (iii) Guarantor(s) tax return, (iv) Guarantor(s) personal financial statement and debt schedule, (v) Guarantor(s) corporate tax returns for entities owned greater than 50% (vi) Guarantor(s) schedule K-1s on entities owned less than 50% and (viii) Project rent roll.
Contingency:	<p>No material adverse change in the financial condition of any Borrower or Guarantor(s) on Loan may occur. This includes but is not limited to the initiation of insolvency, liquidation or bankruptcy proceedings, voluntary or otherwise, against any of them.</p>
Attorney Fees & Closing Costs:	<p>Borrower and Guarantors agree to accept responsibility for all attorney fees and closing costs incurred by any third parties on behalf of Lender for any reason regardless of whether Loan closes. Third party fees include but are not limited to appraisal fees, legal fees, engineering fees, environmental fees, survey fees, etc. This includes legal fees for Borrower and Lender, as well as any fees/costs incurred to enforce this provision. Borrower agrees to pay the fees to Lender to offset costs incurred by Lender.</p>
Insurance:	<p>Borrower agrees to maintain casualty insurance with an insurer acceptable to Lender, insuring Collateral against loss for its replacement value, but in no event less than the appraised value with respect to each insurable item of Collateral, which policies shall name Lender as loss payee. A title insurance policy on Collateral is required for the benefit of Lender.</p>

AGAIN, THE CONTENTS OF THIS LETTER DO NOT CONSTITUTE A COMMITMENT TO LEND. Should Borrower find the aforementioned terms acceptable, the author intends to seek formal internal bank approval. Assuming approval is granted, a formal commitment letter will follow.

Sincerely,



Dominick L. Jackson, Jr.
Senior Vice President

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TAB 7
PROPOSER'S BUSINESS PLAN

THE HENLEY CENTER

A place to live, work & play



**Commercial &
Investment
Properties**

TAB 7: PROPOSER'S BUSINESS PLAN

MARKET RESEARCH/DEMAND DATA

Located on the site of the former State Supreme Court building, THE HENLEY CENTER is a multiuse development with residential units; street-level retail and office space; and garage parking to build connectivity and easier access to the Knoxville Convention Center and attract more pedestrian traffic to the Henley Corridor.

Market research and current business, retail and residential options in downtown Knoxville support that this development would satisfy an unmet need in Knoxville.

RESIDENTIAL

According to the Metropolitan Planning Commission, Downtown Knoxville has 1,796 residents in the urban core and 31,438 residents in the neighborhoods immediately adjacent to downtown. Though downtown Knoxville represents the smallest resident submarket in the region, it's also the fastest-growing. Although new developments are being or have been built to provide additional housing options, demand remains high, particularly in the rental market.

In the urban core, residents generally have higher levels of education and work in professional fields that offer higher incomes. In fact, rental rates for downtown living are approximately double that of rental rates in other areas of the City of Knoxville. These figures demonstrate that the primary market for downtown residential development is a higher standard of apartment-style living.

THE HENLEY CENTER proposes 70 luxury apartment residences that will include such amenities as a private rooftop terrace, swimming pool, fitness center and business center. The 70 units will offer one-, two- or three-bedrooms and spacious floor plans that are significantly larger than the average downtown apartments currently available, thus addressing a need for an upscale rental market option.

OFFICE SPACE

All of downtown Knoxville's existing Class A office space is more than 25 years old. For companies seeking a modern rental experience, downtown currently has nothing to offer these tenants, and Knoxville could be losing opportunities for new professional businesses or corporate headquarters to locate to the area.

The National Association of Industrial and Office Properties has reported several years of growth in the office space absorption rate and has forecast that growth to continue in 2017, so now is a good time for new construction. In the end of the second quarter of 2016, commercial real estate information company CoStar estimated downtown Knoxville's office vacancy rate at 8 percent, though this third-party report includes some properties in East and North Knoxville in those calculations. Avison Young estimates the office vacancy rate in downtown Knoxville at approximately 15 percent.

Markets of comparable and competitive size are adding modern office space. Greenville, South Carolina, is building a 160,000-square-foot office downtown. Also, The Webb Companies of Lexington, Kentucky, is building a mixed-use development with 180,000 square feet of office space without a pre-leased tenant. In Charleston, South Carolina, the WestEdge community is adding an 8-floor, 152,000-square-foot office building, with office rents at \$38.50 per square foot and retail rents at \$38 triple net.

In order to compete with these cities, Knoxville must proactively prepare modern spaces to be able to attract top companies and corporate headquarters.

In addition to being 25 years old, most current office space is 20,000 square feet or less per floor in downtown Knoxville. Many of today's companies prefer larger floor sizes – 25,000 square feet on one level – and also want an updated HVAC system, which older Knoxville offices do not offer. With 25,000 square feet, companies are able to locate a full workforce on one floor. This creates significant efficiencies and cost-savings to businesses. Additionally, large companies require offices to be technology-ready, which older spaces do not provide.

Sustainable buildings constructed to modern LEED environmental standards of energy-efficiency and green building materials also are top priorities. Existing older spaces do not meet these standards. Even building renovations and retrofits cannot achieve the same environmental standards that progressive, forward-thinking companies are seeking. New construction is the only option to attract these businesses.

Access to amenities and a walkable downtown also are factors in supporting high-quality office space. A development with easy access to nearby amenities can command premium rental rates over a drivable, suburban type – a 90 percent advantage for office space in some cases.

Millennials are now 40 percent of today's workforce and are leaders among top office users who want something different out of their work spaces. To attract young, top talent, office space must be modern and advanced, especially with technology, and higher levels of amenities are expected. The fitness center and private terrace area, as well as the restaurant and retail space below the offices, will be a major selling point with new companies looking to locate to the Knoxville area.

If Knoxville does not have the large, modern office space with amenities that companies want, Knoxville will lose out on job creation, significant business tax revenue and economic impact. With THE HENLEY CENTER project, Knoxville will be poised to compete with other cities for top companies to locate to our community.

RETAIL

Visitors, workers and residents of downtown Knoxville have expressed in a 2015 survey by the Central Improvement Business District that retail was the top business or services that should be added to downtown. Nearly 22 percent of respondents to the survey placed that as the highest priority for continued growth.

PARKING/TOURISM IMPACT

The Knoxville Convention Center brings more than \$55 million in annual economic impact to

downtown Knoxville through local, regional and national events, meetings and conventions. One of the top concerns of meeting and event planners, as well as guests to the facility, is a lack of sufficient nearby parking.

Knoxville has a total of 596 street spaces; 5,066 spaces in garages and parking lots; and 2,500 spots in the Civic Auditorium and Coliseum garage in downtown Knoxville.

The closest parking options for the Knoxville Convention Center are the Poplar Street Lot, which has 150 spaces that can be reserved for private events and the Locust Street Garage on nights and weekends, which has 628 spaces. THE HENLEY CENTER's 425 total parking spaces would add for public use approximately 150 spaces during the day. On nights and weekends, after office workers leave for the day, up to 300 spaces immediately adjacent to the Knoxville Convention Center would be available for public use. The parking would be a tremendous selling point to the facility and provide additional economic impact to downtown Knoxville through increased event bookings.

Through the envisioned glass-covered walkway which, if built, could bring guests directly into the Convention Center's Henley Concourse, the Knoxville Convention Center could market the facility as having a connected parking garage. The developer will work with the Convention Center to make available spaces for event parking on nights and weekends.

PROJECT SITE PLAN

THE HENLEY CENTER will be a landmark building along the Henley Corridor that will provide an attractive entrance to downtown Knoxville as a complement to the Knoxville Convention Center. The modern 10-story building will feature a combination of architectural pre-cast and full-height glass. Columns and expansive glass openings will draw the eye upward and emphasize the height of the building.

The site will feature:

- 70 luxury apartment residences
- 100,000 square feet of modern retail and office space
- 425 parking spaces, which could be connected by glass-covered walkway to the Knoxville Convention Center per the developer's vision
- Street-level retail spaces on Locust Street
- Restaurant space with outdoor seating along Locust Street

The dramatic interior lobby of the building with ceilings ranging from 16 to 20 feet tall will serve as the anteroom for the building's various functions, including retail, residential, offices and parking garage.

The developer realizes the importance of **preserving elements of the former building** throughout the construction of the building and plans to use marble and wood paneling from the courtroom in the design. In the lobby, many elements of the State Supreme Court building will be preserved. The distinctive pink Tennessee marble from the current building will be used in the vestibule in two marble panels that run floor to ceiling. The original Tennessee pink marble will be the focal point of the lobby. The main security and check-in desk will repurpose the judge's

bench, which is made of rich wood textures, to add a stately air to the space.

The **office space** would feature full floors with the desirable 25,000 square feet with top amenities, including modern HVAC systems and customized options to meet the needs of large companies looking for space to grow in downtown Knoxville. Additionally, the employees and leadership of office tenants would have access to the building's amenities, which include a private rooftop terrace area and fitness center, as well as the retail, restaurant and parking options. State-of-the-art security and communication features will be offered to tenants in the building.

THE HENLEY CENTER also will feature **70 luxury apartment residences** on the top six floors of the building. The residences will range from one- to three-bedroom units to meet the needs of a wide range of downtown dwellers. The three-bedroom units provide a larger square footage than is currently readily available in the downtown market. Each unit will feature a private balcony, with the westward-facing units having a view of the SunSphere, World's Fair Park and beyond.

The tenants also will enjoy access to the rooftop terrace and pool area, fitness facilities and a business center with high-speed wireless internet. According to the National Multifamily Housing Council/Kingsley Associates 2015 Apartment Resident Preferences Survey, access to high-speed internet is the number one amenity that factors into a rental decision.

A restaurant space will be located along Locust Street and Church Avenue that will serve occupants of the building, as well as draw other workers and residents from downtown for lunch and dinner. The restaurant will feature an outdoor patio area that will create sidewalk traffic to enhance THE HENLEY CENTER's connectivity to the rest of downtown Knoxville.

A **rooftop lounge and entertainment area** also will be open to occupants of the building and the public on the fourth-story balcony terrace that will provide relaxing spaces and spectacular views, as well as additional spaces for live music.

A **parking garage** with a 425-vehicle capacity will be available with permanent reserved parking for residents and temporary spots for office workers and guests of the retail and restaurant spaces. The parking garage will have a greenery covering that will provide an attractive aesthetic to the building when viewed from Henley Street.

Bike racks also will be available to any users of the building. The racks will be located in a secured, well-lit area to ensure that building occupants and guests of retail spaces can safely traverse the facility. Changing facilities and showers will be available to employees of the tenants of the building in the health and fitness facility to further encourage alternative methods of commuting.

The **parking garage** also will feature space along Henley Street for a commissioned art installation. The developer will work with the City of Knoxville's Public Arts Committee to identify and commission public art that will represent the sophisticated culture and history of downtown Knoxville to drivers and pedestrians on the Henley Corridor.

The developer's vision includes the possibility of Henley Street-level retail spaces and a glass-covered walkway crossing Henley Street. The glass-covered walkway as envisioned would blend aesthetically with additional crosswalks in this area and could connect directly with the east side of the Knoxville Convention Center, enhancing pedestrian activity along Henley Street and connectivity with World's Fair Park and beyond to the University of Tennessee. The retail spaces also could feature sidewalks and a green space for shopping patrons to rest.

OPERATORS

Operators of THE HENLEY CENTER will be:

- Avison Young, leasing and management
- Downtown Realty/Kimberly Dixon Hamilton, consultant for apartment leasing
- Premier Parking, parking garage consultant

PRE-LEASING ACTIVITIES

The developer is presently in discussions with two restaurant groups, one local and one regional. In addition, there are two committed office tenants, and discussions are ongoing with a news outlet and two banks.



**THE HENLEY CENTER
LOCUST STREET VIEW**



**THE HENLEY CENTER
HENLEY STREET VIEW**

Includes the developer's vision of a glass-covered walkway that, if built, would connect to the Knoxville Convention Center, and Henley Street retail (proposed for future development)



**THE HENLEY CENTER
LOBBY INTERIOR**

PROJECT DEVELOPMENT COSTS

THE HENLEY CENTER - TOTAL PROJECT

330,450 SQUARE FEET

LAND COSTS:		COST PER SQ FT
APPRAISAL	\$ 9,000	\$ 0.03
CARRYING INTEREST		\$ 0.00
ENGINEERING	\$ 15,000	\$ 0.05
ENVIRONMENTAL STUDY	\$ 9,000	\$ 0.03
LAND COST	\$ 2,500,000	\$ 7.57
LEGAL FEES	\$ 100,000	\$ 0.30
PRELIMINARY TITLE REPORT	\$ 1,500	\$ 0.00
REAL ESTATE TAXES		\$ 0.00
RECORDING FEES	\$ 30,000	\$ 0.09
SOILS TEST	\$ 21,000	\$ 0.06
SURVEY & TOPO	\$ 9,000	\$ 0.03
TITLE REPORT		\$ 0.00
ZONING ATTORNEY		\$ 0.00
ZONING FEE		\$ 0.00
MISCELLANEOUS	\$ 75,000	\$ 0.23
MASTER DEED	\$ 60,000	\$ 0.18
TOTAL LAND COSTS:	\$ 2,829,500	\$ 8.56
BUILDING COSTS:		
BUILDING _____ SQ FT @ ____ PSF	\$ 29,915,000	\$ 90.53
BUILDING SITE WORK _____	\$ 3,480,000	\$ 10.53
OFF SITE WORK		\$ 0.00
COMMON AREA FINISHING 15000 @30	\$ 150,000	\$ 0.45
DEMOLITION	\$ 750,000	\$ 2.27
SITE UTILITIES		\$ 0.00
Interior	\$ 25,000	\$ 0.08
Exterior	\$ 75,000	\$ 0.23

Irrigation System	\$ 30,000	\$ 0.09
Architect		\$ 0.00
Muzak	\$ 5,000	\$ 0.02
Security	\$ 50,000	\$ 0.15
SIGNAGE	\$ 75,000	\$ 0.23
TENANT FINISHING	\$ 8,668,000	\$ 26.23
BLINDS	\$ 20,000	\$ 0.06
CONST.REP.	\$ 225,000	\$ 0.68
TOTAL BUILDING COSTS:	\$ 43,468,000	\$ 131.54
SOFT COSTS:		
ARCHITECTURAL:		
Bank Inspecting Architect	\$ 36,000	\$ 0.11
Design / Contract	\$ 1,780,000	\$ 5.39
Design Work (Tenant)	\$ 240,000	\$ 0.73
Landscaping	\$ 30,000	\$ 0.09
Renderings	\$ 15,000	\$ 0.05
ENGINEERING	\$ 40,000	\$ 0.12
CONSTRUCTION INTEREST	\$ 1,100,000	\$ 3.33
DEVELOPMENT FEE	\$ 480,000	\$ 1.45
LEASING FEES	\$ 600,000	\$ 1.82
Attorney - Leasing	\$ 25,000	\$ 0.08
LEGAL FEES:	\$ 175,000	\$ 0.00
Bank Attorney		\$ 0.00
Title Insurance		\$ 0.00
Recording & Probate		\$ 0.53
UCC		\$ 0.00
Developer's Attorney		\$ 0.00
Lender Attorney		\$ 0.00
LOAN POINTS	\$ 300,000	\$ 0.91
ADVERTISING & MARKETING:	\$ 100,000	\$ 0.30

Airport		\$ 0.00
Brochure		\$ 0.00
Grand Opening		\$ 0.00
Newspaper		\$ 0.00
Picture		\$ 0.00
Sign		\$ 0.00
DEVELOPMENT OVERHEAD	\$ 400,000	\$ 1.21
Accounting		\$ 0.00
Copies		\$ 0.00
File Cabinets		\$ 0.00
Insurance		\$ 0.00
Job Supervision		\$ 0.00
Mgmt. During lease-up		\$ 0.00
Office Space		\$ 0.00
Office Supplies		\$ 0.00
Overnight		\$ 0.00
Postage		\$ 0.00
Printing		\$ 0.00
Telephone		\$ 0.00
TOTAL SOFT COSTS:	\$ 5,321,000	\$ 16.10
CONTINGENCY	\$ 1,100,000	\$ 3.33
TOTAL PROSPECT COST:	\$ 52,718,500	\$ 159.54

OPERATING PRO FORMA

THE HENLEY CENTER

	TOTALS
Income	\$ 5,257,950
Vacancy (5%)	\$ 215,000
GROSS INCOME	\$ 5,042,950
Operating Expenses	
Payroll	\$ 217,370
Management	\$ 198,238
Service Contracts	\$ 86,107
Repairs & Maintenance	\$ 159,918
Utilities & Other G&A	\$ 407,673
Property Taxes	\$ 150,000
Insurance	\$ 49,373
OPERATING EXPENSE	\$ 1,268,679
CapEx Reserves	\$ 65,000
N.O.I.	\$ 3,709,271
Debt Service \$42,150,000 / 4.5% / 25 years	\$ 2,811,400
Estimate Cash Flow	\$ 897,871
Loan Parameters:	
Project Budget (Cost)	\$ 52,718,500
Loan Amount (80% LTV)	\$ 42,174,800
Annual Debt Service	\$ 2,811,400



TAB 8

TAB 8
LEVEL OF RETURN AND BENEFIT
TO THE COMMUNITY

THE HENLEY CENTER

A place to live, work & play



**Commercial &
Investment
Properties**

TAB 8: LEVEL OF RETURN AND BENEFIT TO THE COMMUNITY

TAX BENEFITS

THE HENLEY CENTER will provide a dramatic positive impact on the downtown area throughout the construction phase and into the future.

The development of the property would return the site to the tax rolls. Currently, the property belongs to the City of Knoxville and therefore generates no tax income. In its previous role serving the State Supreme Court, the building also did not provide tax revenue to the city. According to the Urban Land Institute study in 2014, only approximately 40 percent of the land in the central downtown area generates property taxes due to infrastructure, such as roads, or city-owned properties. Converting city-owned properties into tax-generating private properties would help the city correct this balance.

During the construction process, Johnson & Galyon also will pay sales taxes on construction throughout the project, which would total approximately \$800,000.

The businesses, retail and restaurant that locate to the facility would provide additional business and sales taxes to the City of Knoxville. With the spaces that are available to these potential tenants and the strength of THE HENLEY CENTER's pre-leasing and sales team, the potential for additional tax revenue on this mixed-use site is tremendous.

ECONOMIC IMPACT

Office space creates significant economic impact on downtown. Residents of the luxury apartment residences also will utilize nearby amenities, restaurants and shops. According to a 2011 book "Principles of Urban Retail Planning and Development" by Robert Gibbs, office workers in a business district spend an average of \$7.10 per lunch and purchase lunch three to five times each week. Approximately 62 percent of workers shop during the weekday in the area surrounding their office, and 47 percent shop after work. The average worker spent \$95 per week on retail. On average, each office worker can support approximately 7 square feet of restaurant space and 23 square feet of retail space.

The additional parking for the Knoxville Convention Center will make it easier to sell the facility to visiting meeting planners for conferences, events and conventions. Additionally, the retail and restaurants spaces will provide additional services to visiting guests. The envisioned glass-covered walkway could allow the Knoxville Convention Center to claim connected parking to its facility and allow it to pursue additional business sectors – especially statewide or regional events where many visitors would be traveling by car or public events that draw large crowds on weekends.

JOBS

During construction, THE HENLEY CENTER will support 150-200 jobs. Commercial & Investment Properties with its general contractor Johnson & Galyon will select minority DBE subcontractors

when possible. The developer will set a goal for a desired level of minority participation.

In addition to the construction jobs created, the office space with several 25,000-square-foot offices available could create up to 500 jobs. Additionally, retail workers and the restaurant would account for additional jobs when leased. From retail and restaurant work to professional services, THE HENLEY CENTER would provide new jobs and economic opportunities for a wide variety of new workers in downtown Knoxville and additional downtown amenities for workers and residents in other buildings, as well as area visitors and convention-goers.

THE HENLEY CENTER will create 24 permanent jobs for building operations, including leasing, maintenance, parking, janitorial and security.

CONNECTIVITY

Studies show that if there is 50 feet without a business, restaurant or retail option, pedestrian foot traffic will turn around and not travel further into the area. THE HENLEY CENTER will provide an important connecting piece from the current urban core surrounding Market Square to the Knoxville Convention Center, green spaces of World's Fair Park and new development on Cumberland Avenue.



The development and the retail planned will draw foot traffic along Henley Street for the first time. Options to park bikes or rent them will allow residents, office workers and guests to connect to surrounding greenways and the South Waterfront development. The facility will provide access to bike racks in a secure, well-lit location with monitoring.

Currently, approximately 40 percent of downtown dwellers and workers use biking or alternative forms of transportation. Also, THE HENLEY CENTER will encourage individuals to use public transit with a Knoxville Area Transit bus stop located right outside the building.

CITY REQUESTED ASSISTANCE

At this time, Commercial & Investment Properties' conversations with lenders and market research lead it to believe that the project can be funded through private investment. Because of the importance of this project to downtown Knoxville's continued growth, CIP would approach the City of Knoxville for gap financing through the appropriate TIF and/or payment in lieu of taxes (PILOT) application process. CIP is committed to doing full due diligence to seek all private financing opportunities before requesting a TIF and/or PILOT agreement. In the event that a TIF and/or PILOT are required for any of the project segments, a 20-year city assistance will be requested.

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TAB 9
**CONSISTENCY WITH THE CITY'S
ORDINANCES, GUIDELINES AND VISION**

THE HENLEY CENTER

A place to live, work & play



**Commercial &
Investment
Properties**

■ DEVELOP AN ARCHITECTURALLY SIGNIFICANT BUILDING

THE HENLEY CENTER will be a state-of-the-art, modern building constructed to high environmental standards and with the best in construction materials. Every member of the project team is experienced in green building practices with LEED-certified team members consulting on the project.

The height of the building rising off Henley Street will be a focal point for visitors entering downtown from the west. The impressive 10-story building will feature a combination of architectural pre-cast concrete and full-height glass. Columns and expansive glass openings will draw the eye upward and emphasize the height of the building.

The site amenities, including a new downtown restaurant, retail spaces, fitness center, rooftop terrace and pool, will provide an elevated experience to live, work and play in downtown Knoxville.



Includes the developer's vision of a glass-covered walkway that, if built, would connect to the Knoxville Convention Center, and Henley Street retail (proposed for future development)

■ ACHIEVE THE PROPERTY'S HIGHEST AND BEST USE AND STRENGTHEN THE TAX BASE

By creating a truly mixed-use project that provides rental housing options and modern, spacious professional office space currently unavailable in the market, as well as retail and restaurant spaces, THE HENLEY CENTER will create a higher-density, dynamic use of a space on a site that has been vacant and dramatically underutilized for decades.

Through its proposed uses, THE HENLEY CENTER will create new business taxes by attracting outside companies to downtown; tourism economic impact through the Convention Center's increased parking capabilities; and sales tax from visitors and residents frequenting the retail and restaurant spaces along the street level.

By providing options for varied use of the site, THE HENLEY CENTER will allow the downtown core to expand to new dwellers, workers and visitors and introduce them to another area of downtown Knoxville.

■ CREATE ARCHITECTURAL SIGNIFICANT HOUSING

The 70 luxury apartment residences at THE HENLEY CENTER will offer one-, two- and three-bedroom floor plans with greater square footage than typical downtown lofts. THE HENLEY CENTER is targeting young, successful professionals who are attracted to a higher level of amenities. With access to a private rooftop terrace with a pool with a dramatic view of the Sunsphere, THE HENLEY CENTER residents will receive an experience unlike any other available in downtown Knoxville. Every unit will feature an outdoor private balcony area as well.



■ LINE THE STREETS OF THE SITE WITH COMMERCIAL USE

THE HENLEY CENTER is a mixed-use development that includes commercial uses and retail alongside a major thoroughfare. It will feature street-level retail spaces along Locust Street, with a restaurant featuring an outdoor patio on the corner of Locust Street and Church Avenue.

■ PRESERVE PORTIONS OF THE ORIGINAL COURTHOUSE OR REUSE MATERIALS ORIGINAL TO THE COURTHOUSE

The developer understands and believes in the importance of preserving elements of the former building throughout the construction of the building and plans to use marble, glass and wood paneling from the courtroom in the design.

In the lobby, many elements of the Tennessee Supreme Court building will be preserved. The distinctive pink Tennessee marble from the current building will be used in the vestibule and other areas throughout the lobby area. The main security and check-in desk will repurpose the judge's bench, which is made of rich wood textures, to add a stately air to the space.

Additionally, the developer will place a plaque detailing the history and significance of the site in the lobby for visitors to the building.

■ CREATE STREET-LEVEL AMENITIES PROMOTING WALKABILITY FOR PEDESTRIANS AND BICYCLISTS

THE HENLEY CENTER will feature street-level retail and restaurant spaces that will encourage an unprecedented level of pedestrian foot traffic for this area of downtown. Additionally, THE HENLEY CENTER will bridge the downtown core to World's Fair Park and Cumberland Avenue development and beyond.

For bicyclists, THE HENLEY CENTER will provide safe, well-lit bicycle racks at street-level to secure bicycles while shopping or eating at the restaurant. Private bike racks also will be available to residents and office workers.

In the main lobby, THE HENLEY CENTER will partner with Outdoor Knoxville and Visit Knoxville to feature up-to-date maps of downtown amenities, as well as access to bicycle paths, city greenways and South Knoxville's Urban Wilderness.

■ PROVIDE BIKE PARKING AND CHANGING/SHOWER FACILITIES FOR THOSE BIKING TO THE SITE

Showers and changing facilities will be available in the fitness center area for office workers who commute to work through bicycling or want to work out during the day. THE HENLEY CENTER will provide information to potential tenants and encourage future employees to consider biking to work as an option. All possible accommodations will be made for patrons and building occupants who choose alternate methods of transportation.

■ MAKE AVAILABLE MAPS AND INFORMATION ABOUT ALTERNATIVE OPTIONS

The development also will provide information on Knoxville Area Transit to residents and future office tenants. The developer will encourage tenants to consider supplementing workers' commutes if using public transit options. A KAT stop is conveniently located immediately outside along Henley Street and will provide easy access to nearby shops and the restaurant.

THE HENLEY CENTER also will provide access to this information and resources on a webpage dedicated to users of the facility and social media channels to foster a sense of community – and

encourage building occupants to take advantage of Knoxville's walkable downtown.

■ ADDRESS STRUCTURED PARKING AND BUILDING SERVICES FROM AN INTERNAL ACCESS POINT, LIMITED EXPOSURE TO SURROUNDING PUBLIC STREETS

The development team consulted with a traffic engineer to strategically place the entrances and exits to the parking garage to minimize impact to traffic flow in the area. The entrances and exits are located on Cumberland and Church avenues, which create less of an impact than entrances on Henley Street. Occupants of the building and retail customers will have direct access to the building's spaces from the parking garage, and pedestrians will be able to easily access the building with wide 15-foot sidewalks and clear crosswalks.

■ ADDRESS THE CITY'S SUSTAINABILITY GOALS

Commercial & Investment Properties selected a development team with extensive experience in green building construction and design. Both McCarty Holsaple McCarty and Johnson & Galyon have LEED-certified members on their teams dedicated to minimizing the impact of construction to the environment by selecting the latest in green building materials and designing the building for efficiencies that will provide energy and cost-savings to future tenants and residents. Both firms have extensive experience in new construction to U.S. Green Building Council's standards.

The architect and construction teams will construct THE HENLEY CENTER to LEED standards through creating a sustainable site, minimizing stormwater impact and using fuel-efficient vehicles; promoting water efficiency through technology upgrades and landscaping; optimizing energy efficiency through interior environmental controls on lighting and HVAC; and purchasing green materials and recycling resources, including the reuse of material from the existing Supreme Court building; minimizing construction waste and disposing of the waste appropriately.

CIP will install an extensive energy management system in THE HENLEY CENTER to scientifically regulate the energy consumption of the building – particularly in the common areas. This system will scientifically meter utilities, such as heating, air conditioning and lighting to the building, to optimize efficiency. The system will use strategies, such as daylighting, which takes advantage of natural lighting to reduce energy use in the building.

Additionally, CIP will engage an energy services company (ESCO) on a performance contract to regularly evaluate the building's energy performance and consult on ways to reduce the building's impact to the environment and save costs. CIP also plans to place solar panels on the roof of its building to capitalize on alternative methods of generating energy.

In its parking lot, CIP will make available designated electric car charging stations to encourage commuters seeking to minimize their impact on the environment, in addition to promoting biking and pedestrian traffic to the facility.

■ CONSIDER PROVIDING CULTURE, INSTITUTIONAL AND OTHER USES THAT ENHANCE DOWNTOWN KNOXVILLE AS A REGIONAL DESTINATION

Commercial & Investment Properties believes in supporting the local arts and culture scene of Knoxville through its development and will actively seek tenants for its retail and restaurant

spaces that will provide benefit to downtown Knoxville's cultural fabric.

In the restaurant space along Church Avenue and Locust Street, the developer will include entertainment space that will serve as a venue for local musicians and artists to showcase their talents.

The developer will work with the City of Knoxville Public Arts Committee to commission a piece of city art and place it in a highly-visible location along Henley Street. Additionally, THE HENLEY CENTER will work with local artists to display work in the public lobby areas of the building in rotating exhibits.

Additionally, when considering options for the commercial space, the developer will consider the impact that the tenants will make on downtown as a regional attraction. Target tenants will include traditional retail and companies that would enrich the fabric of downtown, such as outdoor retailers, organic grocery stores and social activities, including arcades and microbreweries, among others. The development team will consult with the Knoxville Chamber, the City of Knoxville and Visit Knoxville to gather information on the type of tenants that would best benefit the downtown Knoxville community at the time of leasing.

DOWNTOWN KNOXVILLE URBAN DESIGN GUIDELINES

THE HENLEY CENTER adheres to the Urban Design Guidelines as outlined by the City of Knoxville in its 2014 plan.

The development team designed the complex with pedestrians in mind, including placing attractive lighting surrounding the facilities, wide sidewalks and defined crosswalks, including an envisioned glass-covered walkway to comfortably cross Henley Street. The developer will work with the City of Knoxville on appropriate traffic signals and speed mitigation to create a more pedestrian-friendly Henley Corridor.

In its parking garage, the developer plans to place attractive green screening on the parking garage, allowing the parking garage to aesthetically match the surrounding development. Residential space will be included in the parking garage plan along Henley Street.

The project will beautify downtown Knoxville through attractive green spaces for patrons to gather along Henley Street that will include landscaping and public artwork.

The building design itself also conforms with city design guidelines. The 10-story building has cornices and open spaces that allow for a pedestrian-friendly environment. THE HENLEY CENTER's glass and open patio exteriors will draw pedestrians, as well as the attractive retail spaces with awnings and green resting spaces.

The development also adheres to the mixed-use recommendations of placing residential units above commercial uses to maximize impact and revenue of the site. The comparably sized city of Asheville, North Carolina, studied the impact of mixed-use development over single-use.

Asheville realized an 800 percent greater return on downtown mixed-use development projects on a per-acre basis compared to a large single-use development. A typical acre of mixed-use property in downtown Asheville yields \$360,000 more in tax revenue to city government than a single-use development

As required, the developer will submit all design plans to the Downtown Design Review Board for review and approval.

ZONING ORDINANCES

THE HENLEY CENTER's intended functions and building design, including setbacks and floor-area ratios, comply with all requirements with the site's zoning in the Central Business Improvement District.

As required, the developer will submit all design plans to the Downtown Design Review Board for review and approval.

UNIQUE MIXED-USE PROJECT

THE HENLEY CENTER is one of the last remaining opportunities for large-scale new construction development in the urban core of downtown Knoxville, and therefore, this development is critical to positioning Knoxville for continued growth.

Current downtown office space availability is at least 25 years old with insufficient space, outmoded systems and lacking of amenities. This is not what modern companies are seeking. THE HENLEY CENTER's strategic approach to provide upscale, modern and spacious office space with a prime location and unmatched amenities offers downtown Knoxville the opportunity to fully take advantage of the momentum and continue to grow its business base.

National leasing expert Avison Young is an important member of the development team. Market research shows a growing market for new office space, and the firm will help the City of Knoxville benefit from this trend.

Additionally, providing 70 luxury apartment residences to young professionals seeking to experience the thriving downtown lifestyle will breathe new life around-the-clock to an underutilized area of downtown. These residents, with office workers and visitors, will use the restaurant and shops proposed in the development.

Finally, the Knoxville Convention Center needs the parking that will provided by this development to continue to book large events at the facility – particularly regional events with drivers looking for connected parking.

In summary, every component of THE HENLEY CENTER's mixed-used proposal is well-planned and researched to meet the needs of downtown Knoxville, connect with existing redevelopment initiatives in the surrounding area, including Cumberland Avenue, the South Waterfront and Henley Corridor, and position the Central Business Improvement District for continued growth.

HOUSING, JOBS AND BUSINESS OPPORTUNITIES

THE HENLEY CENTER project will provide 70 luxury apartment residences with one- to three-bedroom floor plans to attract an array of downtown dwellers. The apartments offer more square footage and a higher level of amenities than current downtown rental options.

During construction, THE HENLEY CENTER will support 150-200 jobs in the construction industry. In addition to the construction jobs created, the office space with several 25,000-square-foot offices available could support up to 500 jobs. Additionally, retail and restaurant workers would account for additional increase of jobs when leased. From retail and restaurant work to professional services, THE HENLEY CENTER would provide new jobs and economic opportunities for a wide variety of new workers in downtown Knoxville.

THE HENLEY CENTER will create 24 permanent jobs for building operations, including leasing, maintenance, parking, janitorial and security.

As previously stated in this proposal, the opportunity for the first new, modern office space in downtown will provide an opportunity to attract major new business to downtown Knoxville, increase the business tax base and provide economic impact through multiple downtown workers patronizing restaurant, retail and entertainment spaces during and after work hours.



TAB 10
**DESCRIPTION AND CLEAR SCOPE/
SCALE OF PROJECT**

THE HENLEY CENTER

A place to live, work & play



**Commercial &
Investment
Properties**

TAB 10: DESCRIPTION AND CLEAR SCOPE/SCALE OF PROJECT

CLEARLY DETAIL AND DEFINE THE PROJECT

THE HENLEY CENTER will contain three major components within two buildings:

- 70 luxury apartment residences
- 100,000 square feet of modern retail and office space
- 425-space parking garage

THE HENLEY CENTER embraces the urban experience in a variety of uses – all of which are arranged around a central plaza space.

The office building facade is a combination of architectural pre-cast and full height glass. The first two floors have additional pre-cast cornice elements with natural stone accents – in and around the major entries. Retail storefronts are accentuated with awnings.

The retail, office and residential tower emphasize the vertical design through the use of architectural pre-cast columns and expansive glass openings. The base is treated similarly to the office building with cornice line, horizontal pre-cast and natural stone accents. A central front door canopy denotes the entry for guests and clients. The top residential floors combine semi-recessed balconies and full height glass for the living spaces. The combined effect of the strong supportive base, solid vertical elements and all glass central element results in a taller, slender looking building.

The parking structure is enclosed with a combination of pre-cast panels, aluminum mullions and screening treatments. The effect is to screen the vehicles and mask the appearance of a parking facility.

THE HENLEY CENTER allows for expanding the economic base of downtown Knoxville and utilizing a non-productive existing site in the downtown area. Commercial & Investment Properties will work with the city in designing THE HENLEY CENTER to provide a design that complements a modern connection between the development and the Knoxville Convention Center and World's Fair Park.

There is an immediate demand for parking in downtown Knoxville, as well as parking to enhance the Convention Center. In conjunction with the construction of the parking garage, retail and residential development could begin immediately. Pre-leasing of the office building may be a requirement. Leasing would take place during the design development phase, as well as during the period of time needed to secure approvals from the City.

1. GROSS SQUARE FEET AND PROPOSED USES

Office: 72,975 square feet

Residential: 90,450 square feet

Parking Garage: 154,850 square feet

Lobby, Including Building Operations and Amenities: 24,485 square feet

Locust Street Retail: 11,605 square feet*

Henley Street Retail (future development): 7,505 square feet

**Locust Street retail square footage is included in lobby square footage total.*

2. NUMBER OF PARKING SPACES

THE HENLEY CENTER's 425 total parking spaces would add for public use approximately 150 spaces during the day. On nights and weekends, after office workers leave for the day, up to 300 spaces immediately adjacent to the Knoxville Convention Center would be available for public use.

3. BUILDING HEIGHT

From Locust Street:

10 floors

137 feet to top of parapet

152 feet to top of mechanical screen

4. EXPECTED NUMBER OF CONSTRUCTION JOBS AND CONSTRUCTION COSTS

During construction, THE HENLEY CENTER will support 150-200 jobs. Commercial & Investment Properties with its general contractor Johnson & Galyon will select minority DBE subcontractors when possible. The developer will set a goal for a desired level of minority participation.

Construction costs are estimated at \$43,468,000.

5. EXPECTED NUMBER OF PERMANENT JOBS

THE HENLEY CENTER will create 24 permanent jobs for building operations, including leasing, maintenance, parking, janitorial and security.

6. ESTIMATED PROJECT COSTS

Project costs are estimated at \$52,718,500.

PROVIDE A CONCEPTUAL SITE PLAN AND BUILDING ELEVATIONS

See subsequent pages in this section.

DESCRIBE UTILIZATION OF THE SITE

Parking Garage: With 425 parking spaces, the parking garage will serve THE HENLEY CENTER, as well as parking for the general public, Knoxville Convention Center and World's Fair Park.

Retail and Lobby: Approximately 25,000 square feet of restaurant, banks, office building lobby and a strong retail component will serve THE HENLEY CENTER, as well as downtown Knoxville.

Office: Containing approximately 75,000 square feet, THE HENLEY CENTER is the first major multi-tenanted office structure to be built in downtown Knoxville in the last 25 years. There will be a strong design element towards a "green building," and many state-of-the-art communication and security features will be adopted for the office building, as well as the overall complex.

Residences: Six levels of residences totaling 70 units will complement THE HENLEY CENTER. The units will be of high-end quality with excellent views in all directions.

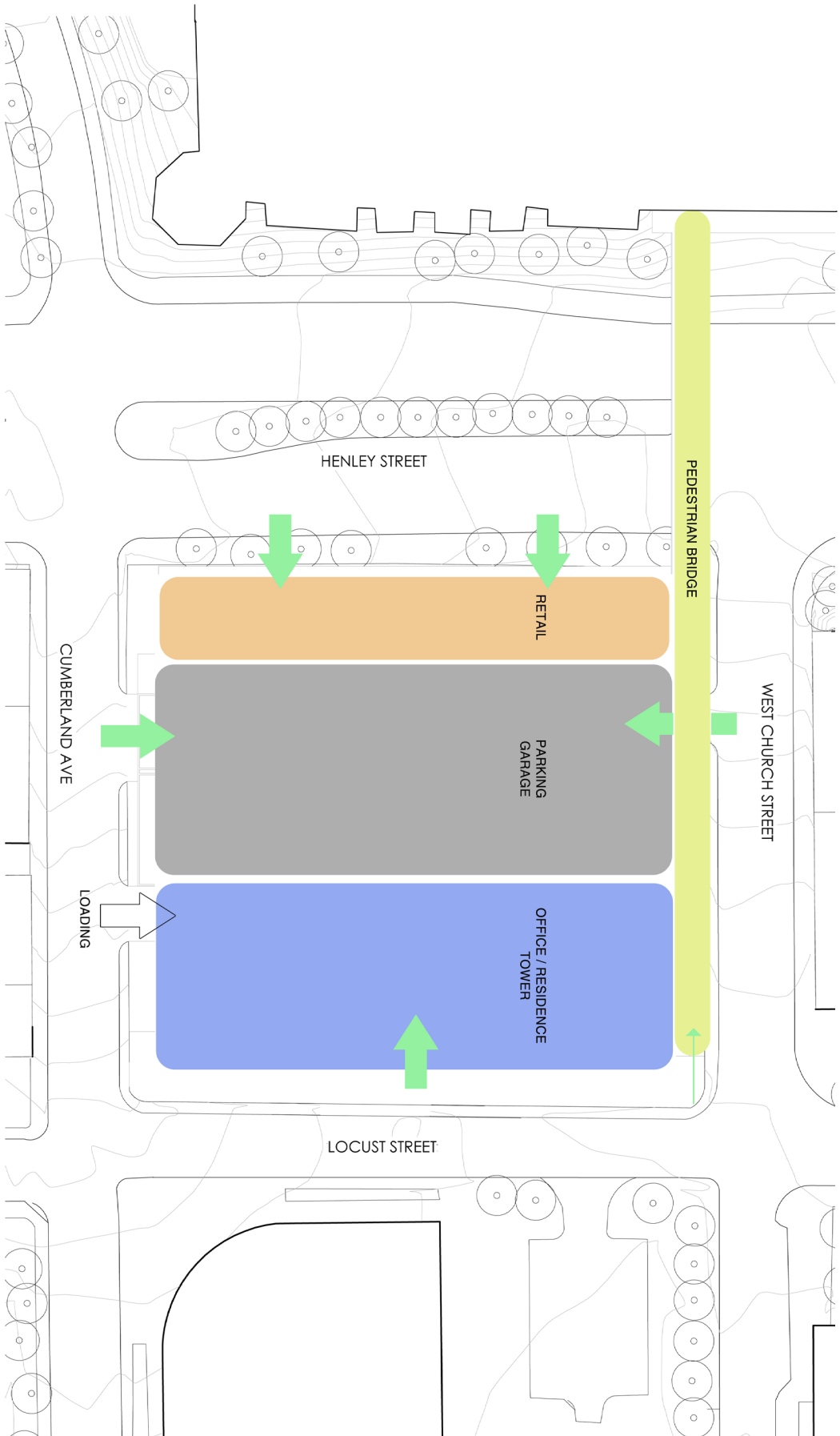
DESCRIBE HOW THE PROJECT WILL EXIST IN CONTEXT WITH ADJACENT BUILDINGS AND OTHER AMENITIES

THE HENLEY CENTER is designed to complement the existing buildings and amenities in the area, while providing a landmark design that will define the Henley Corridor.

An envisioned glass-covered walkway, if built, could connect the 425-space parking garage, Henley Street retail spaces (future development) and the Knoxville Convention Center. The walkway could promote pedestrian traffic across Henley Street and will complement the design of the existing covered walkway across Clinch Avenue connecting The Tennessean hotel and the Convention Center, as well as the elevated walkway crossing Henley Street along Clinch Avenue.

PROVIDE CIRCULATION PLANS SHOWING ALTERNATIVE TRANSIT ROUTES

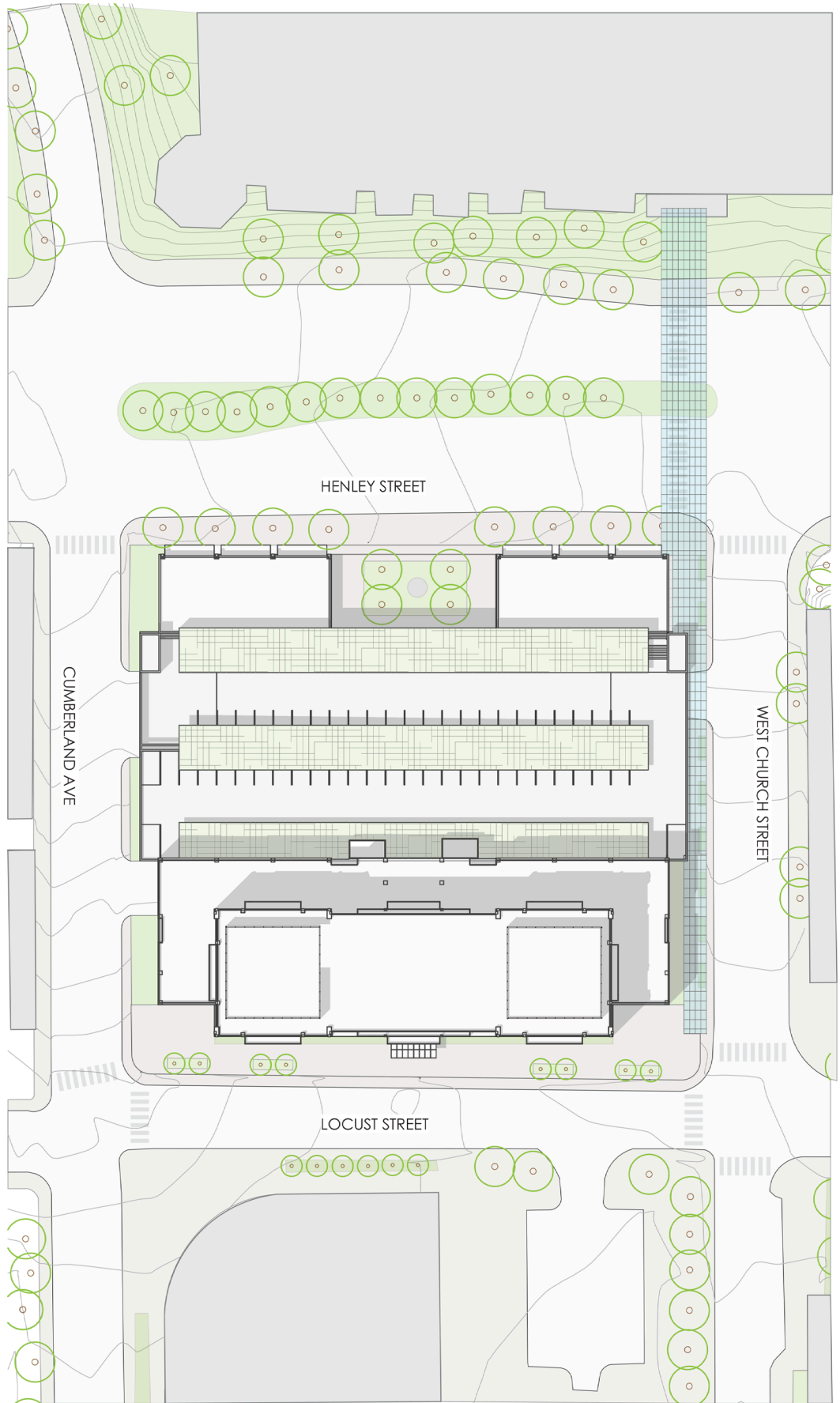




SITE DIAGRAM
1" = 50'-0"

THE HENLEY CENTER

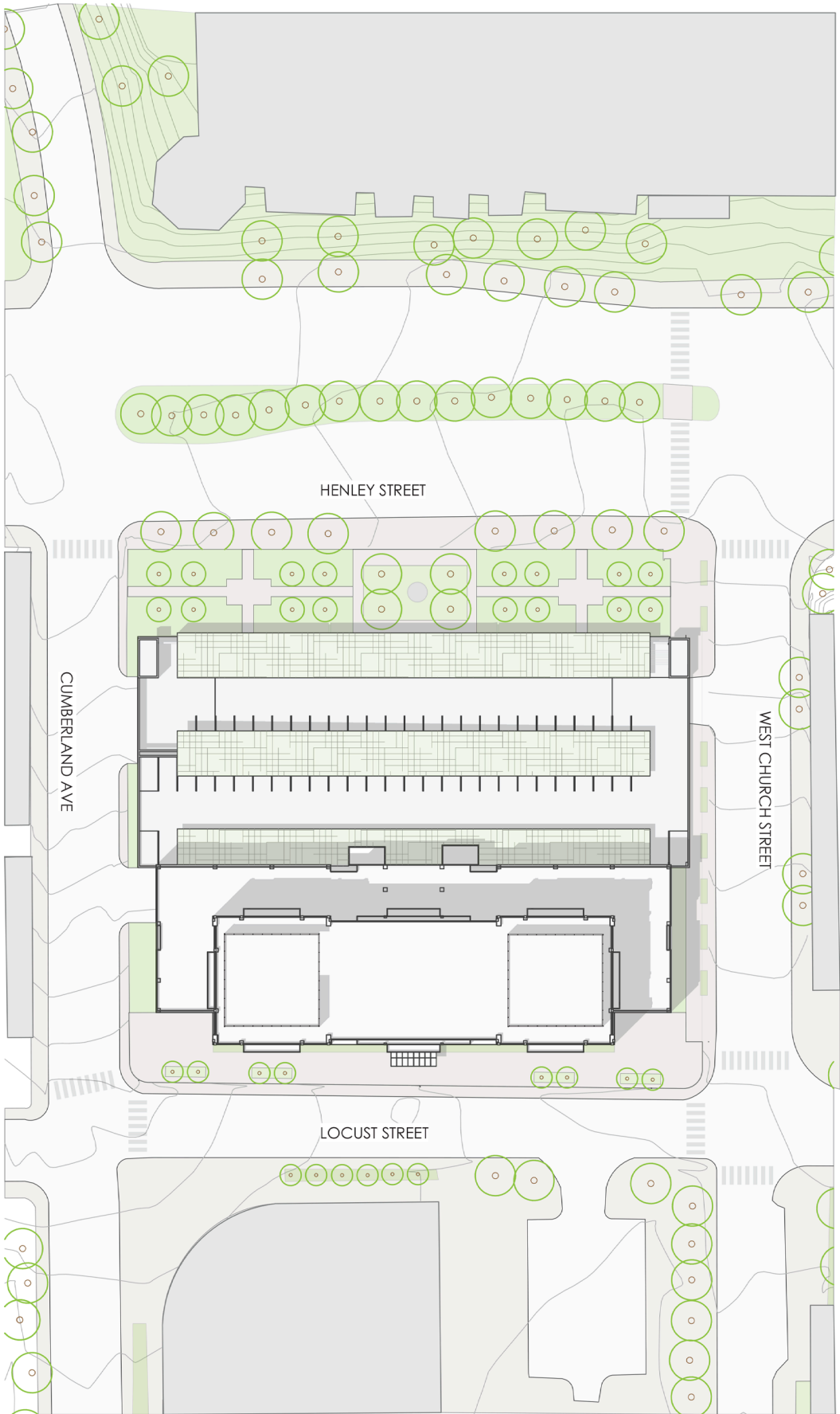




Site Plan
Scale 1" = 50'-0"

THE HENLEY CENTER

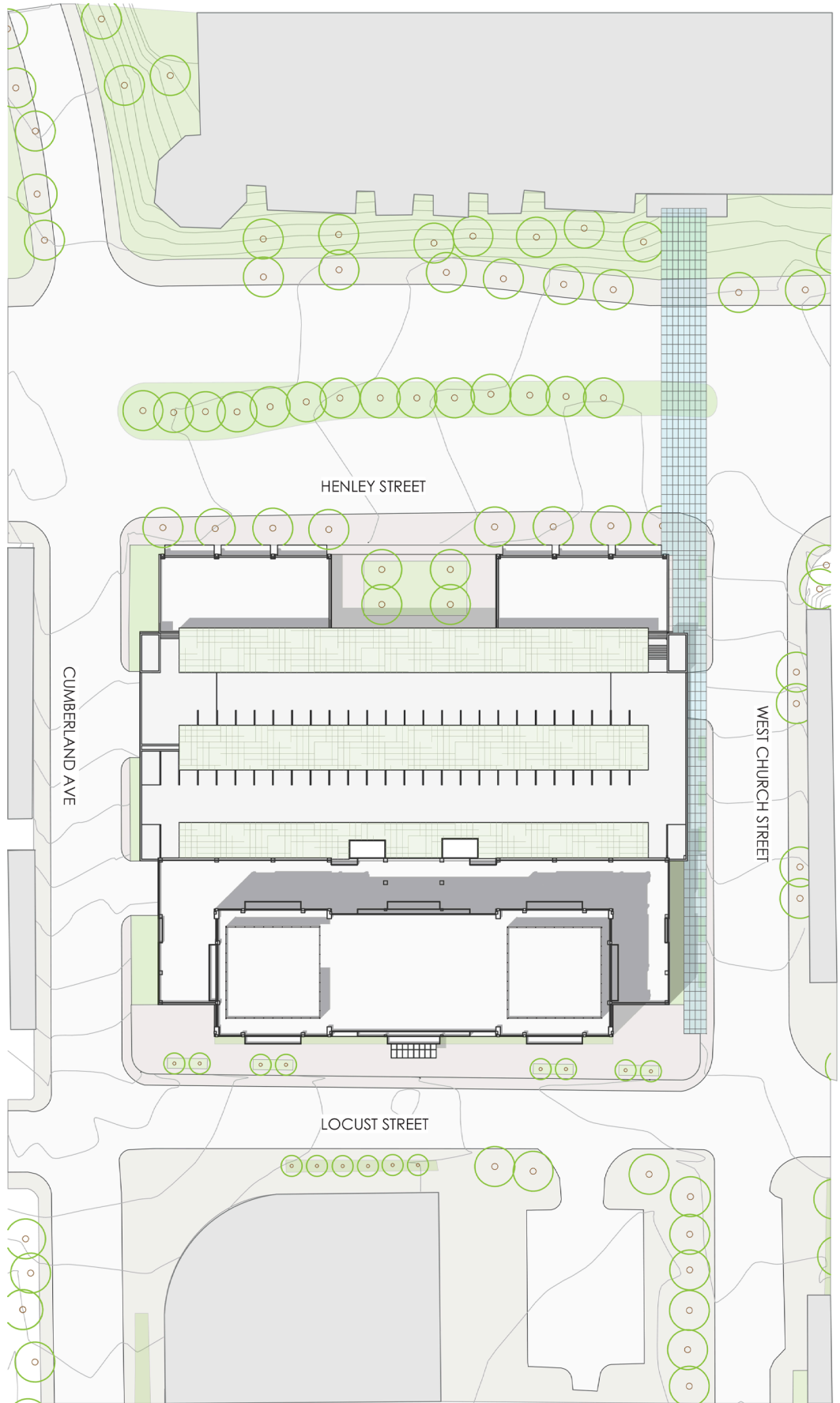




Site Plan - Alternative
 Scale 1" = 50'-0"

THE HENLEY CENTER

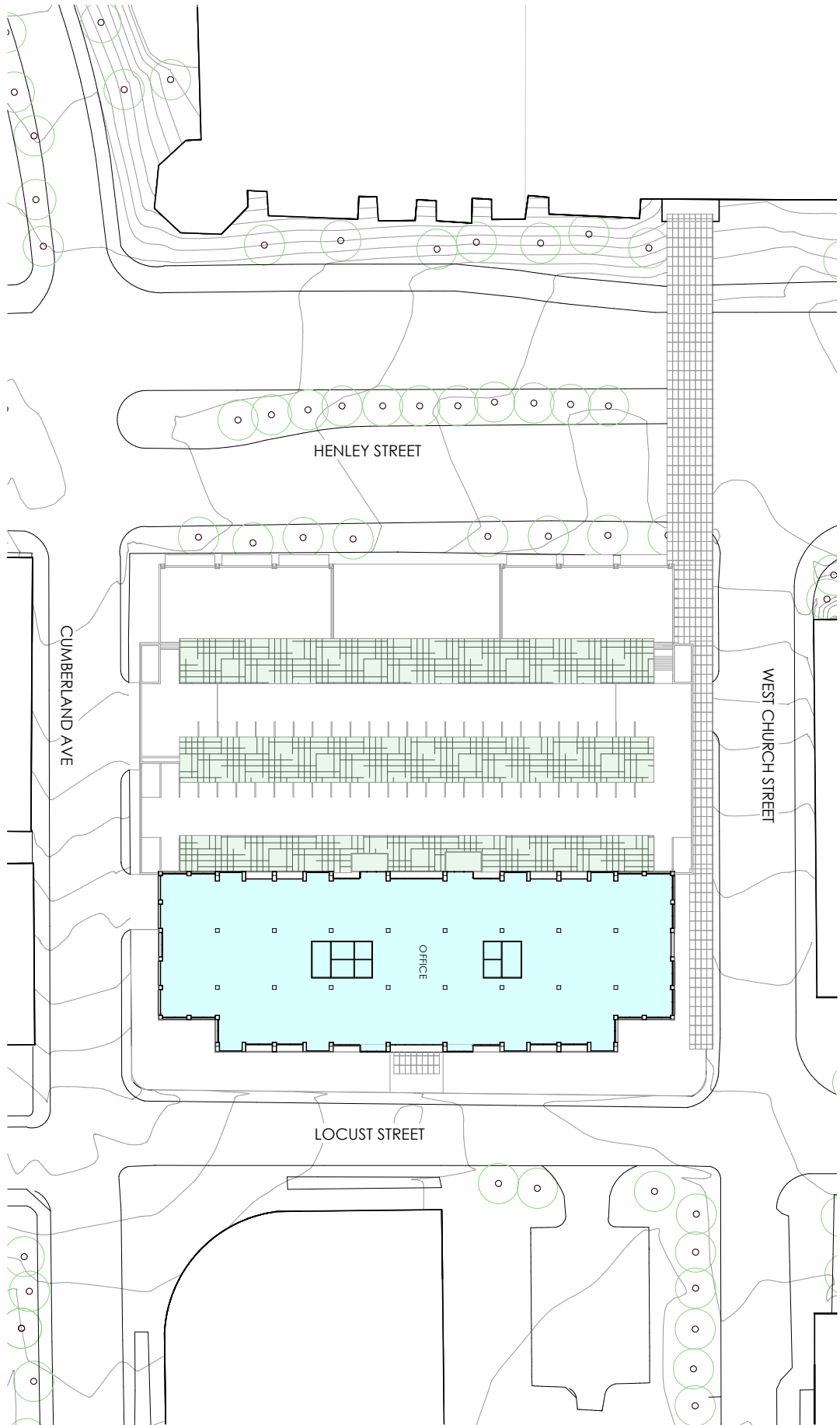




Site Plan
 Scale 1" = 50'-0"

THE HENLEY CENTER

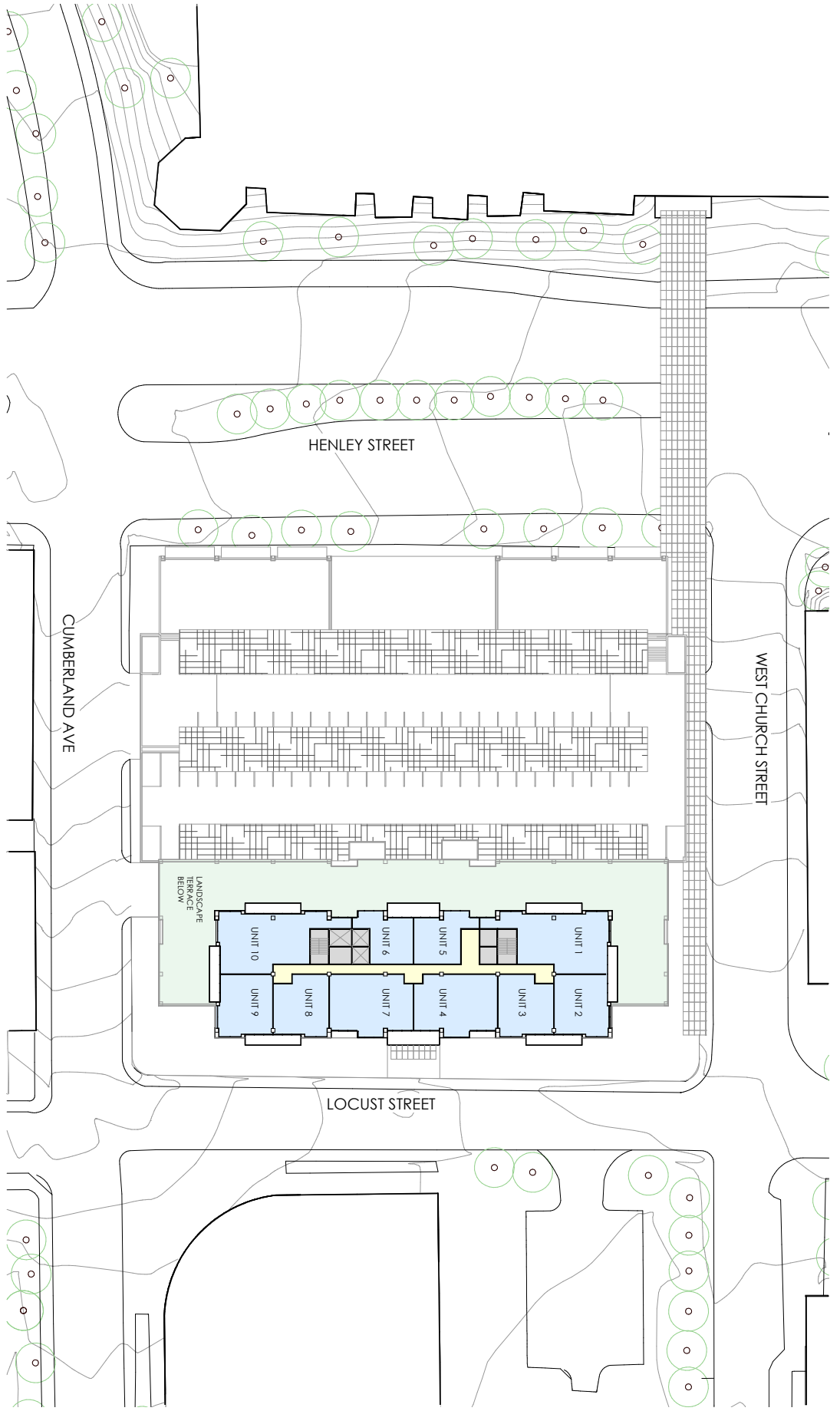




Typical Office Plan
Scale 1" = 50'-0"

THE HENLEY CENTER

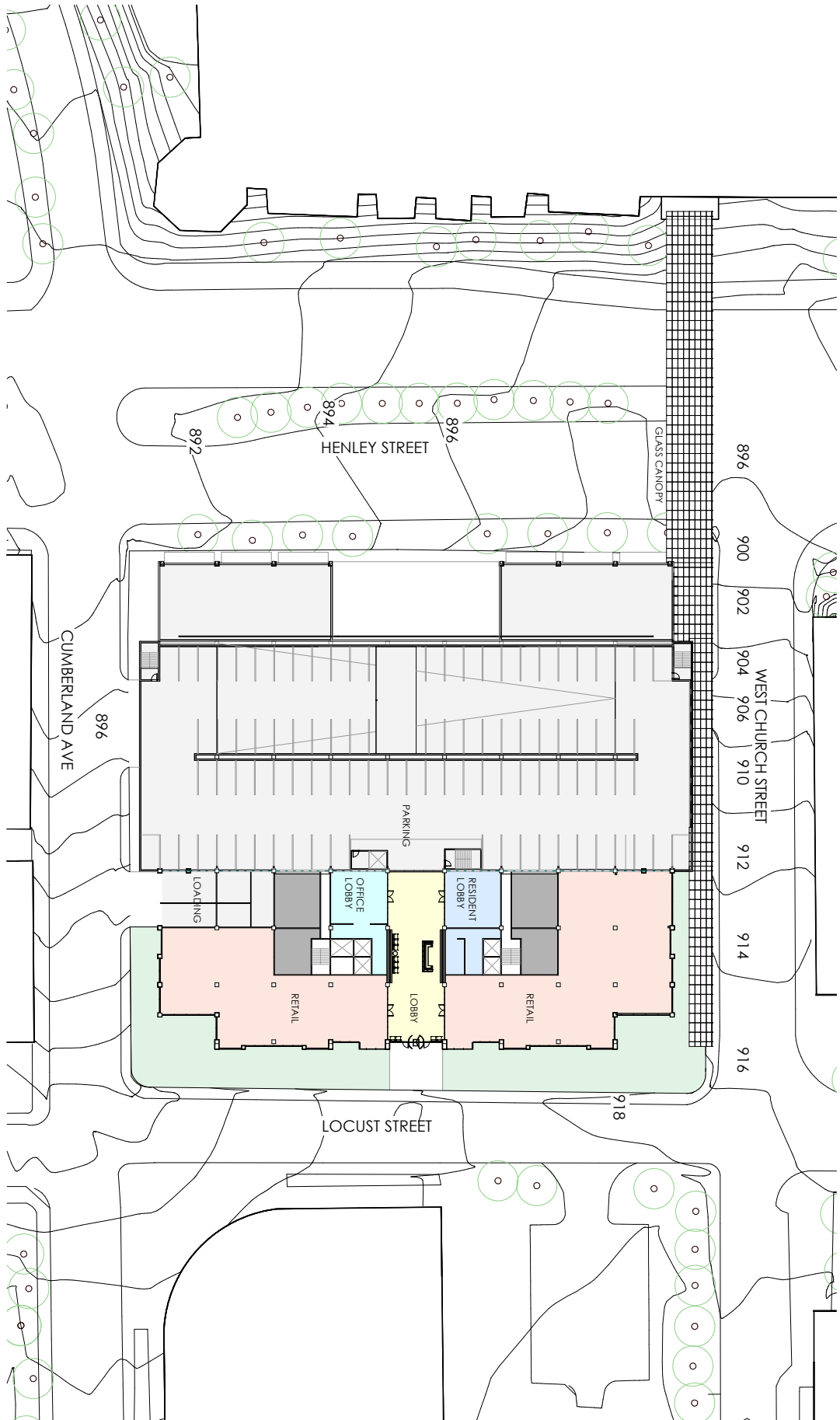




Typical Residential Plan
 Scale 1" = 50'-0"

THE HENLEY CENTER

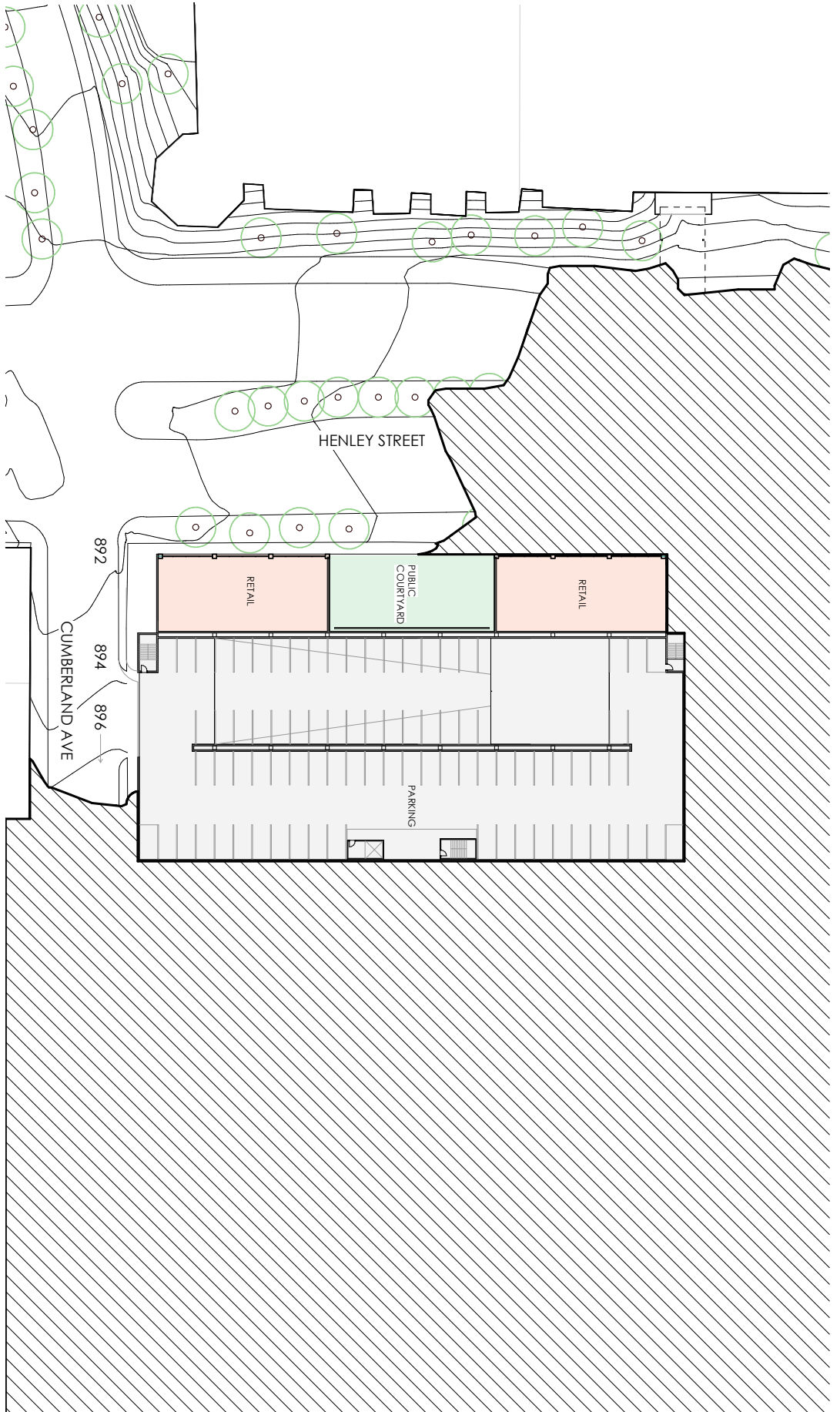




Locust Street Plan (ELEV 91.6)
Scale 1" = 30'-0"

THE HENLEY CENTER





Henley Street Plan (ELEV 896)
 Scale 1" = 50'-0"

THE HENLEY CENTER





**THE HENLEY CENTER
LOCUST STREET VIEW**



**THE HENLEY CENTER
HENLEY STREET VIEW**

Includes the developer's vision of a glass-covered walkway that, if built, would connect to the Knoxville Convention Center, and Henley Street retail (proposed for future development)



**THE HENLEY CENTER
LOBBY INTERIOR**

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TAB 11
PROJECT TIMELINE

THE HENLEY CENTER

A place to live, work & play



**Commercial &
Investment
Properties**

TAB 11: PROJECT TIMELINE

CONSTRUCTION MITIGATION PLAN

Johnson & Galyon has a long history of successfully completing projects in Knoxville's downtown. The company has worked with the City of Knoxville to successfully minimize the impact of ongoing construction on projects, such as The Tennessean, East Tennessee History Center, The Miller's Building, Henley Street Pedestrian Bridge and many others. Johnson & Galyon has extensive experience in safely coordinating construction activities and minimizing disruption of ongoing activities in the central business district.

SITE SAFETY PLAN

The first and primary concern of every project is the safety of the public and project workers. Johnson & Galyon implement a comprehensive safety plan, which includes:

- Site fencing and barricades around work area
- Safety signage posted with appropriate warnings for the work underway
- Daily site clean-up inside fence and immediate area outside of fence

SITE LOGISTICS PLAN

Additionally, the general contract puts a plan in place to ensure that impact to flow of traffic is minimized throughout the process, including:

- Posted signage for construction traffic entrances and exits
- Cleaning of any debris tracking from construction traffic
- Appropriate planning for large deliveries so not to interfere with heavy traffic times

CONSTRUCTION PLAN

Johnson & Galyon puts a plan in place to ensure that construction minimizes disruption to the neighboring business and residents, including:

- Work within the City of Knoxville's sound ordinances
- Any construction requiring early or late starts will be planned, approved and communicated ahead of time
- Minimize and/or eliminate blocking of streets and sidewalks
- Any exceptions planned, approved and communicated ahead of time to the City of Knoxville to minimize disruption
- Plan, coordinate and communicate any needed service outages that may affect surrounding buildings, including electric and water connections.

CONSTRUCTION TIMELINE

Henley Center

