

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF  
MEMPHIS CENTER CITY REVENUE FINANCE CORPORATION  
(DREAM HOTEL SURCHARGE)**

**WHEREAS**, S Main 122, LLC (the “Hotel Developer”) owns the property located at 122 South Main, Memphis, Tennessee (the “Hotel Site”) on which it proposes to develop an approximately 181 room Dream Hotel and related commercial space, ancillary dining and related amenities (the “Dream Hotel”);

**WHEREAS**, the Hotel Developer also proposed to include approximately 10 apartments on the top two floors of the building to be developed on the Hotel Site (such apartments together with the Dream Hotel and the Hotel Site, the “Hotel Development”);

**WHEREAS**, the proposed budget for the Hotel Development is approximately \$99.3 Million;

**WHEREAS**, the Local Tourism Development Zone Business Tax Act, Tenn. Code Ann. §§ 67-4-3001 *et seq.* (“Surcharge Act”) authorizes the City of Memphis to designate as a “Qualified Public Use Facility” a full-service hotel with not less than one hundred fifty (150) rooms and related retail, commercial, and parking space that is part of a mixed use development and is located in the portion of Downtown Memphis designated as a tourism development zone (“Downtown TDZ”) pursuant to the Hotel and Tourism Development Financing Act of 1998, which is codified at Tenn. Code Ann. §§ 7-88-101 *et seq.*;

**WHEREAS**, the Surcharge Act authorizes the City of Memphis to levy a privilege tax (“Tourism Surcharge”) on the sale of certain goods and services within such Qualified Public Use Facility and other related facilities, and to assign (or cause to be assigned) to this Corporation the revenues from such Tourism Surcharge that are paid, remitted or otherwise transferred to the City or City Treasurer to pay or reimburse costs incurred, or to pay debt service on indebtedness incurred to finance or refinance costs, in connection with the acquisition, construction, renovation, and equipping of such Qualified Public Use Facility and other related facilities;

**WHEREAS**, the Hotel Development is located in the Downtown TDZ and includes a full-service hotel of more than one hundred fifty (150) rooms that is part of a mixed use development including related retail and commercial spaces and multifamily residential;

**WHEREAS**, it is proposed that the City of Memphis (i) designate the Hotel Development as a Qualified Public Use Facility; (ii) approve and levy a Tourism Surcharge of five percent (5%) of the Sales Price (as defined in the Surcharge Act) on Sales (as defined in the Surcharge Act) made by engaging in any Business (as defined in the Surcharge Act) in or upon the Hotel Development, or any portion thereof (“Dream Hotel Surcharge”); and (iii) assign revenues generated from the Dream Hotel Surcharge (“Dream Hotel Surcharge Revenues”) to this Corporation to pay or reimburse costs incurred, or to pay debt service on indebtedness incurred to finance or refinance costs, in connection with

the development of the Dream Hotel, all pursuant to and in accordance with the Surcharge Act;

**WHEREAS**, it is proposed that the City and this Corporation enter into a development agreement (“Development Agreement”) with the Hotel Developer in connection with the Dream Hotel Surcharge and the use of the Dream Hotel Surcharge Revenues to pay, reimburse, or otherwise finance the costs of the development of the Dream Hotel; and

**WHEREAS**, it is proposed that this Corporation: (i) make a recommendation to the Memphis City Council that it approve a five percent (5%) Dream Hotel Surcharge pursuant to an Ordinance in substantially the form attached hereto as Exhibit A, (ii) approve the execution and delivery by this Corporation of the Development Agreement, and (iii) otherwise provide as further needed with respect to the foregoing.

**NOW, THEREFORE, BE IT RESOLVED** by this Board of Directors of Memphis Center City Revenue Finance Corporation as follows:

1. The development of the Hotel Development is hereby found to be in furtherance of the public purposes of this Corporation, including without limitation those set forth in Tenn. Code Ann. § 7-53-305, to develop trade and commerce in and adjacent to the City of Memphis and Shelby County and to contribute to the general welfare and alleviate conditions of unemployment.

2. The Dream Hotel Surcharge, the use of the Dream Hotel Surcharge Revenues to pay, reimburse or otherwise finance the costs of the development of the Dream Hotel, and the designation of the Hotel Development as a Qualified Public Use Facility pursuant to the Surcharge Act are hereby approved by this Corporation and recommended to the Memphis City Council for approval.

3. The execution and delivery of the Development Agreement by this Corporation is hereby authorized and approved. Each of the officers of this Corporation be, and hereby is, authorized and directed to execute and deliver the Development Agreement in the form thereof authorized by such officer, the execution and delivery thereof to be conclusive evidence of the approval by this Corporation and this Board of Directors of the terms and conditions thereof.

4. Each of the officers of this Corporation be, and hereby is, authorized and directed to do any and all other acts, including without limitation, the execution and delivery of any of the documents necessary and desirable to make effective this Resolution, and the execution, delivery and performance thereof by such officer or officers of this Corporation shall be deemed to be conclusive evidence of the approval by this Corporation of the terms and conditions and appropriateness thereof.

Adopted this 8th day of November, 2022.

MEMPHIS CENTER CITY REVENUE  
FINANCE CORPORATION

By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**

**Surcharge Ordinance**

ORDINANCE NO. \_\_\_\_\_

ORDINANCE FOR DESIGNATION OF QUALIFIED PUBLIC USE FACILITY, CREATION OF THE DREAM HOTEL TOURISM DEVELOPMENT ZONE TOURISM SURCHARGE AND OTHERWISE PROVIDING WITH RESPECT TO THE FOREGOING

**WHEREAS**, S Main 122, LLC (the “Hotel Developer”) owns the property located at 122 South Main, Memphis, Tennessee (the “Hotel Site”) on which it proposes to develop an approximately 181 room Dream Hotel and related commercial space, ancillary dining and related amenities (the “Dream Hotel”);

**WHEREAS**, the Hotel Developer also proposed to include approximately 10 apartments on the top two floors of the building to be developed on the Hotel Site (such apartments together with the Dream Hotel and the Hotel Site, the “Hotel Development”);

**WHEREAS**, the proposed budget for the Hotel Development is approximately \$99.3 Million;

**WHEREAS**, the Local Tourism Development Zone Business Tax Act, Tenn. Code Ann. §§ 67-4-3001 *et seq.* (“Surcharge Act”) authorizes the City of Memphis to designate as a “Qualified Public Use Facility” a full-service hotel with not less than one hundred fifty (150) rooms and related retail, commercial, and parking space that is located in the portion of Downtown Memphis designated as a tourism development zone (“Downtown TDZ”) pursuant to the Hotel and Tourism Development Financing Act of 1998, which is codified at Tenn. Code Ann. §§ 7-88-101 *et seq.*;

**WHEREAS**, the Surcharge Act authorizes the City of Memphis to levy a privilege tax (“Tourism Surcharge”) on the sale of certain goods and services within such Qualified Public Use Facility and other related facilities, and to assign (or cause to be assigned) to Memphis Center City Revenue Finance Corporation (“CCRFC”) the revenues from such Tourism Surcharge that are paid, remitted or otherwise transferred to the City or City Treasurer to pay or reimburse costs incurred, or to pay debt service on indebtedness incurred to finance or refinance costs, in connection with the acquisition, construction, renovation, and equipping of such Qualified Public Use Facility and other related facilities;

**WHEREAS**, the Hotel Development is located in the Downtown TDZ and include a full-service hotel of more than one hundred fifty (150) rooms that is part of a mixed use development including related retail and commercial spaces and multifamily residential;

**WHEREAS**, the City of Memphis administration finds that it is wise, necessary and advisable to designate the Hotel Development, including the Dream Hotel, as a Qualified Public Use Facility pursuant to and in accordance with the Surcharge Act;

**WHEREAS**, the City of Memphis administration finds that it is wise, necessary, and advisable to seek authorization from this Council to levy a Tourism Surcharge of five

percent (5%) of the Sales Price (as defined in the Surcharge Act) on Sales (as defined in the Surcharge Act) made by engaging in any Business (as defined in the Surcharge Act) in or upon the Hotel Development (the “Dream Hotel Surcharge”);

**WHEREAS**, the City of Memphis administration finds that it is wise, necessary, and advisable to assign revenues generated from the Dream Hotel Surcharge (“Dream Hotel Surcharge Revenues”) to CCRFC to pay or reimburse costs incurred, or to pay debt service on indebtedness incurred to finance or refinance costs, in connection with the development of the Dream Hotel at the Hotel Site;

**WHEREAS**, to enact the Dream Hotel Surcharge, the City of Memphis administration has proposed the ordinance set forth below (“Tourism Surcharge Ordinance”); and

**WHEREAS**, the City of Memphis administration desires that this Council (i) approve the Tourism Surcharge Ordinance, and (ii) otherwise provide with respect to the foregoing.

**NOW, THEREFORE, BE IT ORDAINED** by the Council of the City of Memphis as follows:

Sec. \_\_\_ - \_\_\_ -1.      **Designation as Qualified Public Use Facility**

The Hotel Development is hereby designated as a qualified public use facility (collectively, the “Dream Hotel QPUF”) pursuant to and in accordance with Tenn. Code Ann. title 67, chapter 4, part 30 (as amended from time to time, hereinafter in this chapter called the “Act”).

Sec. \_\_\_ - \_\_\_ -2.      **Creation of District**

There is created the Dream Hotel Surcharge District (the “District”) in accordance with the Act.

Sec. \_\_\_ - \_\_\_ -3.      **District Boundaries**

The District created by this chapter shall be comprised of the area located in the City within the following boundaries:

Lots 1 and 2, Overton Subdivision in Country Lot 485, more particularly described as follows:

Beginning at the intersection of the south line of Gayoso Avenue with the east line of South Main Street; thence eastwardly with the south line of Gayoso Avenue 148.5 feet to the west line of an alley; thence southwardly with the west line of said alley 122 feet; thence westwardly parallel to the south line of Gayoso Avenue 148.5 feet to the east line of South Main Street;

thence northwardly with the east line of South Main Street 122 feet to the point of beginning

Municipal Address  
122 South Main Street, Memphis, Tennessee

Tax Parcel ID  
002049 00001

Sec. \_\_ - \_\_\_\_-4      **Surcharge Assessment**

The making of Sales (as such term is defined in the Act) by engaging in any Business (as such term is defined in the Act), except for those businesses exempt under Tenn. Code Ann. title 67, chapter 4, part 712, in the District is declared to be a privilege. All such Sales shall be subject to the surcharge assessment provided in this Chapter and the City hereby levies such surcharge on all Sales.

Sec. \_\_ - \_\_\_\_-5      **Surcharge Assessment Rate**

The surcharge levied by this section shall be equal to five percent (5%) of the Sales Price (as such term is defined in the Act).

Sec. \_\_ - \_\_\_\_-6      **Mandatory Registration, Filing of Returns, Payment of Surcharge and Licensing**

All persons carrying on Business (as such term is defined by the Act) in the District, and all persons who may hereafter carry on Business in the District, shall register with the City Treasurer for the purpose of assessment and collection of the surcharge. All persons so registered shall file a return detailing Sales for the prior month and surcharge collected on account of such Sales on or before the twentieth (20th) day of each calendar month and shall remit all surcharge collected during such month, together with any delinquent payments of surcharge, with such return. Each person who files a return and remits the appropriate amount of surcharge shall be granted a license which such person shall display within their place of Business. The City Treasurer is hereby authorized and directed to develop the forms for registration and filing monthly returns, as well as rules and regulations regarding the filing of the same.

Sec. \_\_ - \_\_\_\_-7      **Delinquent Payments**

Any nonpayment or delinquent payment of any surcharge shall be subject to the rights and remedies described in Chapter 5-24 of the Memphis City Code.

Sec. \_\_ - \_\_\_\_-8      **Allocation and Use of Revenues**

All revenues received by the city as a result of the surcharge, except for the reasonable expenses of the City Treasurer incurred as a result of its administrative duties under this chapter which shall not exceed one percent (1%) of such revenues, shall be designated for, and allocated to the payment of the cost of the Dream Hotel QPUF, including, without limitation, all debt issued or incurred in the acquisition, construction, leasing, renovation and equipping of the Dream Hotel QPUF, including principal, interest and other fees and charges.

Sec. \_\_ - \_\_\_\_-9      **Remittance of Revenues**

On or before the fifteenth (15th) day of each month, the City Treasurer shall remit all revenues received during the prior month, less the aforescribed administrative fee, to CCRFC or its assignee. CCRFC, or its assignee, is hereby directed to deposit such revenues in accordance with the Act and any agreements governing the payment or reimbursement of costs incurred, or debt issued or incurred by CCRFC to finance or refinance costs, in connection with development of the Dream Hotel.

Sec. \_\_ - \_\_\_\_-10      **Termination of Surcharge**

The surcharge shall continue until terminated as provided in the Act.

1. All actions heretofore undertaken by the Mayor or his designee and other officials, employees, attorneys and agents of the City in furtherance of the intent of this resolution, and of the documents authorized by this resolution, are hereby ratified, confirmed and approved.
2. The Mayor or his designee and other appropriate officials of the City are hereby authorized to enter into such agreements, and they and other appropriate employees of the City are hereby authorized to execute such certificates or other documents and take such other actions, as may be necessary or appropriate to carry out the intent of this Ordinance.
3. This Ordinance shall take effect from and after its adoption, the welfare of the City of Memphis requiring it.

Adopted this \_\_ day of \_\_\_\_\_, 2023.

Sponsor: \_\_\_\_\_