

EXPERIENCE SUCCESS
ON A HIGHER LEVEL

THAT'S LAWELEVATED

Is ECONOMIC DEVELOPMENT ENOUGH?



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Perhaps the most important legal determination of the term economic development comes the landmark decision in ***Kelo v. City of New London***. In this decision, the United States Supreme Court noted that the city of New London, Connecticut had “carefully formulated a development plan that would provide appreciable benefits to the community, including, but not limited to new jobs and increased tax revenue.” The court also commented on the overall goal of the city’s economic vision: “[t]he city is trying to coordinate a variety of commercial, residential, and recreational land uses, with the hope that they will form a whole greater than the sum of its parts.”



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The ***International Economic Development Council***, a non-profit membership organization dedicated to serving economic developers and raising the profile of the profession, defines economic development as “*seeking to improve the economic well-being and quality of life for a community by creating and/or retaining jobs and supporting or growing incomes and the tax base.*”

IS ECONOMIC DEVELOPMENT ENOUGH?

During a lecture I gave at the University of Southern Mississippi's Center for Economic Development, I referenced the term community development and one of my students quickly raised their hand and posed the question:

“What is the difference between economic development and community development?”



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- In today's economy, we must address disparities through economic development driven inclusive workforce strategies
- **Assess the role of Housing as an economic driver**
- **Foster Rural Placemaking and embracing the next creative frontier**
- **Empower our communities with labor data and metrics**
- **Address unconscious bias e.g., Mississippi's state flag**
- **Create entrepreneurial asset development**
- **Engage the business community to support inclusive livability**



IS ECONOMIC DEVELOPMENT ENOUGH?

- Learn from our global partners around the world
- **Create small business friendly communities**
- **Foster the reuse existing assets and historic development**
- **Plan for Opportunity Zone Financing**
- **Create clusters that will foster artificial intelligence**
- **Engage underrepresented populations**
- **Unlock institutions of higher learning as economic development assets**
- **Engage millennials in terms of what they want from our communities**

IS ECONOMIC DEVELOPMENT ENOUGH? FLOWOOD HOTEL & CONFERENCE CENTER



Tray served as bond counsel to the Mississippi Business Finance Corporation (the “MBFC”) in connection with the issuance of its \$26,896,000 MBFC Taxable Revenue Bonds (Flowood Hotel & Conference Center Project), Series 2019A and \$3,000,000 MBFC Taxable Revenue Bonds (Flowood Hotel & Conference Center Project), Series 2019B to finance the construction of a resort hotel and conference center in the City of Flowood, MS (the “City”). The hotel will include amenities such as a full-service restaurant, bar and lounge, medical spa, cooking school, golf pro shop, resort style pool with a lazy river, event venue and lawn adjacent to a new 15-acre lake.

The Refuge Golf Course, located next to the hotel, is a municipally owned course that is being renovated by the City through the issuance of \$20M City of Flowood Taxable General Obligation Urban Renewal Bonds that were specifically authorized by special Public-Private Partnership (“p3”) legislation allowing for the purchase of the conference center by the City. The golf course will be affiliated with the hotel and available to guests as part of their hotel stay including play packages. The City’s bond proceeds will also be used to make infrastructure improvements to the project site as an incentive to the developer. For several years, the City sought to build a hotel and conference center and through an intricate p3 structure (which involved structuring a \$13M+ tourism sales tax rebate incentive through the Mississippi Development Authority) and a sophisticated revenue covenant which will allow the City to enjoy some of the profits of the project, the deal ultimately came to fruition. The overall cost of the project is \$75,000,000.



IS ECONOMIC DEVELOPMENT ENOUGH? MERIDIAN HISTORIC HOTEL

Tray served as counsel to Meridian Downtown Hotels, LLC, in a matter where the Mississippi Business Finance Corporation (the “MBFC”) issued its \$4,700,000 MBFC Taxable Revenue Bonds (Meridian Downtown Hotels, LLC Threefoot Building Courtyard Marriott Project), Series 2018A and its \$11,800,000 MBFC Taxable Revenue Bonds (Meridian Downtown Hotels, LLC Threefoot Building Courtyard Marriott Project), Series 2018B to finance the rehabilitation and construction of a 137 room Courtyard Marriott Hotel in Meridian, Mississippi. Federal and State Historic Tax Credits were also used to finance a portion of the project in addition to a sales and use tax exemption on construction material and equipment along with a 10 year property-tax abatement from the City of Meridian, MS (the “City”) and Lauderdale County. Tray also assisted in getting the Mississippi Development Authority to approve an approximately \$7,000,000 tourism sales tax rebate incentive. The hotel will be located in a historic art deco style 16-story office building constructed in 1930 known as the Threefoot Building. Stabilization of this historic structure (which has remained vacant since 1990) will completely revitalize the City and will be a catalyst for economic development in downtown Meridian. The closing took place in July 2018 and the hotel is under construction and should be open in 2020.



COURTYARD
Marriott

IS ECONOMIC DEVELOPMENT ENOUGH? VICKSBURG SPORTS COMPLEX

Tray served as bond counsel to the City of Vicksburg, Mississippi (the "City") where special Public-Private Partnership ("p3") legislation was used to authorize the City to lease municipally-owned property for a nominal fee for the construction, operation and maintenance of a \$22,450,000 sports complex. The sports complex was built by a private developer on municipal property consisting of 90.47 acres and a high quality, family-friendly sports facility housing 10 multi-use turf baseball/softball fields, 6 soccer fields and approximately 14,000 square feet of buildings for maintenance, restrooms, concessions, operations and meeting space. To facilitate the construction, operation and maintenance of the sports complex, the City entered into a Use, Operation and Maintenance Agreement to complete this p3. Under the agreement, the developer constructed and currently operates and manages the sports complex. In addition, the City used funds from the issuance of \$22,450,000 in Mississippi Development Bank Special Obligation Tax-Exempt Bonds to make payments to the developer to design, build and manage the facility. To issue the bonds tax-exempt for the purpose of financing a sports facility, special tax advice and considerations were given to ensure that the transaction was structured in a manner that would avoid triggering the private activity bond test under Section 141 of the Internal Revenue Code. To pay the debt service on the bonds, the City authorized the levy of a special 2% sales tax on motels and hotels and a special 2% sales tax on restaurants.



IS ECONOMIC DEVELOPMENT ENOUGH? TRADITION MEDICAL CITY

Tray served as developer's counsel and incentive counsel to the \$100M+ Tradition Medical City ("Tradition Medical City" or "Tradition"), the largest master planned community under development in Mississippi. He also provided advice to Tradition in connection with an economic impact study provided by Arduin, Laffer & Moore Econometrics to support the reorganization of the National Diabetes and Obesity Research Institute ("NDORI") and its collaboration with William Carey University College of Medicine and College of Pharmacy. Once fully built out, the 4,800-acre development consisting of a 650 acre-medical city town center will have more than 15,000 residential units, two million square feet of commercial development and 35,000 residents. Unlike conventional economic development projects, Tradition is a health care cluster with multiple economic engines and is designed to be a center of higher education and technical training in health care, a magnet for research and innovation related to diabetes and obesity and an avenue to train and employ thousands in the high-wage health care industry. Tradition is also home to the NDORI in affiliation with the Cleveland Clinic Endocrinology and Metabolism Institute, William Carey University's School of Pharmacy and Mississippi Gulf Coast Community College's ("MGCCC") Nursing and Simulation Center. As counsel to Tradition, Tray also helped the development and MGCCC structure a \$12.5M Katrina Community Development Block Grant to build a 50,000 square foot nursing and simulation center.



IS ECONOMIC DEVELOPMENT ENOUGH? ARTS & ENTERTAINMENT CENTER

Tray served as bond counsel and disclosure counsel for a \$20 million Mississippi Development Bank Special Obligation Tax-Exempt Bond transaction which provided a portion of the \$50M financing for the Mississippi Arts and Entertainment Experience (the "MAX") in the City of Meridian, MS (the "City"). The MAX is owned by the State of Mississippi (the "State") and operated by a private 501c3 non-profit corporation. As a result of this special public-private/owner-operator arrangement allowing for the issuance of the bonds tax-exempt, special tax advice and considerations were undertaken by Tray to ensure that the transaction was structured in a manner that would avoid triggering the private activity bond test under Section 141 of the Internal Revenue Code. This analysis involved tedious negotiations with the State, the private non-profit operator and the City. The MAX opened in 2018 and celebrates the contributions of Mississippi's artists, entertainers, and musicians in every artistic discipline. The 58,000 square-foot facility houses 15 permanent galleries and two spaces for rotating exhibits across six themes: Land, Community, Home, Church, People + Places, and Global Community. Included in the list of legendary Mississippi artists and entertainers are Elvis Presley, Jimmie Rodgers, B.B. King, William Faulkner, Morgan Freeman, Walter Inglis Anderson, Hartley Peavey, and Sela Ward. This project along with the hotel project has helped to reshape Meridian.



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