

Megasite Authority of West Tennessee Board of Directors

Meeting Date: January 14, 2026

Time: 10:00 a.m. – 11:00 a.m.

Location: Tennessee College of Applied Technology, Stanton, Tennessee

Attendees:

Clay Bright, CEO

Charles Tuggle, Chairman

Commissioner Bryson (absent)

Commissioner McWhorter

Commissioner Holmes (absent)

Michael Banks

Gene Bowden

Jim Duke

Carolyn Hardy (virtual attendee) joined after roll call

Jeff Huffman

Chris Richards

Beth Henderson, Legal Counsel

- Chairman Tuggle called the meeting to order at 10:05 a.m.
- CEO Bright conducted the roll call, and a physical quorum was confirmed. Recognized Commissioner Kidd, who joined the meeting as a guest today. He will be official tomorrow.
- The first item on the agenda was approval of the November 19, 2025, meeting minutes.
 - Motion to approve by Mayor Huffman
 - Seconded by Commissioner McWhorter
 - In a voice vote, the motion passed, and the minutes were approved.
- Decision on Distribution of Supplier PILOT Taxes
 - Chairman Tuggle turned the item over to CEO Bright to present.
 - CEO Bright presented a summary of real property tax obligations for four suppliers located on-site: Avancez, Magna (two facilities), and GFX. The current figures are based on assessed values from the Haywood County Tax Assessor's Office and total approximately \$691,000. Notices have already been sent to the suppliers, and invoices will follow once the board determines how the funds should be allocated. CEO Bright noted that this discussion concerns only real property tax; personal property tax (equipment) will be addressed at a later date.
 - Michael Banks asked whether these were ten-year PILOTs for all the suppliers. CEO Bright confirmed it is the abatement included in the three - one Magna facility has a 50% abatement, Avancez and the other Magna have 10% abatements and are paying 90% of the property tax, and that is in place for 10 years.

- Mayor Huffman clarified that there will be two separate schedules: one for real property that starts now and one for personal property, which will begin at a later date. He asked if we know whether these four companies are coming, or if it's possible they won't be, and someone else will, due to Ford's shift from electric vehicle production to internal combustion engines. CEO Bright responded that, as far as he knows, they are still coming. One of the Magnas builds the frames, one supplier makes seating, not sure what Avancez does, and GFX has a lot to do with the options that go on the vehicle once they are out the door. Mayor Huffman commented that the equipment projections we initially received could change. Commissioner McWhorter added that they had been in conversation with Ford and had toured the facility two or three weeks ago. Ford is going through all their planning, and once they know the timeframes and materials, they will share them.
- Mayor Huffman discussed the taxation of equipment stored in warehouses. Madison Haynes, outside counsel to the Authority, confirmed that personal property taxes apply to equipment, regardless of who owns the building. The Property Assessor's Office has billed a third party for equipment located at the site that is not part of the PILOT agreement, and this bill has been paid to Haywood County in normal course.
- Chris Bowles, outside counsel to the Megasite Authority, emphasized that his understanding is that the tax applies at the time the equipment is placed in service. He added that the ownership of the real property should not affect the taxability of the owner of personal property. Mr. Bowles stated that all personal property owners at the Megasite, except Ford and BOSK, should be reporting taxable personal property equipment. This is ordinary course assessment, and the assessor has been encouraged to operate on the ordinary course, and that has been shared with Ford as well.
- Chairman Tuggle emphasized that the key decision the Authority faces is how to allocate the real property tax funds. Mr. Banks explained that Stanton requires substantial infrastructure improvements. He noted that Tipton County has already financed a significant portion of regional wastewater projects that will benefit the area.
- Mr. Banks proposed allocating the PILOT funds from the four suppliers as follows, per year for ten years, Stanton - \$541,054.15, Tipton County - \$100,000, Fayette County - \$50,000
 - Mr. Banks made a formal motion to approve the allocation of funds as proposed.
 - Seconded by Mr. Duke
- Chairman Tuggle opened the floor for discussion. Mr. Duke stated that the issue of personal property tax will be addressed when appropriate. Ms. Richards asked whether this allocation would bind us to other entities that come on-site. Chairman Tuggle clarified that the proposal only pertains to the specific funds. Mr. Banks confirmed that this allocation is specific to the four suppliers and the specific

amounts; it does not include personal property or future suppliers, which would need to be approved by the board. Furthermore, it was stated that this allocation does not establish a precedent. Mr. Banks confirmed that it is specifically for this PILOT schedule. Additionally, both Mr. Banks and Mayor Huffman confirmed that the funds allocated to Tipton will go to the county.

- Chairman Tuggle, not seeing any comments from the public, recognized that Ms. Hardy had joined and stated they would have a roll call vote.
 - CEO Bright restated the distribution would be with Stanton receiving \$541,054.15, Tipton County \$100,000, and Fayette County \$50,000.
 - In a roll call vote, the motion passed.
- Treatment Plant Rate Structure and Depreciation
 - Chairman Tuggle introduced the item and asked CEO Bright to present the information. CEO Bright stated that the revision to the rate study reflects initial comments received back from Ford, and the rate is intended to finish out this fiscal year, January through June of FY26. The study incorporates:
 - Actual spend through end of FY25
 - Spend-to-date in FY26
 - Projected spend for the remainder of FY26
 - CEO Bright noted that the ask today is for January–June of this year, and at the July meeting, he would present a new rate proposal for FY27.
 - Chairman Tuggle recognized Betsy Knotts and Greg Young (Bass, Berry & Sims).
 - Ms. Knotts stated that they were present on behalf of Ford and requested a deferral of action to allow additional time for review of information received late last week, and since revised. She noted significant cost increases—water costs have risen by 129%, and wastewater costs by 50%. Ms. Knotts requested a clearer understanding of these costs. Additionally, she asked for a legal analysis of the Megasite Authority Act regarding the distinction between “deficit” and “negative change in net position,” highlighting that the Authority is exempt from the Tennessee Board of Utility Regulation. Ms. Knotts confirmed that they are working to identify a long-term utility partner before the end of the year.
 - Chairman Tuggle inquired if they had a timeline in mind for the deferral. Ms. Knotts requested a deferral until the next meeting in April and indicated that she is open to a retroactive rate effective from January 1.
 - CEO Bright expressed concerns about waiting until April and closing FY26 (June) clean and reconciling credits. This includes the \$1.36 million credit (better described as forgiveness) resulting from prior board action related to depreciation forgiveness, specifically, 80% forgiveness approved in May 2025, retroactive to January 2025. The Authority’s invoice to Ford in December was \$372,000, while a

sample bill from the rate study indicates that the February invoice would be approximately \$437,000, which includes the forgiveness.

- Chairman Tuggle inquired if outside counsel had any comments at this time. Mr. Bowles stated that counsel has not been engaged to provide a legal analysis on this matter and noted that any legal review would need to be pursued as future work, not as part of the current rate schedule.
- Chairman Tuggle invited members of the board to ask questions and provide comments.
- Mr. Banks asked if deferring action until April would harm the Authority or the state. CEO Bright explained that the only concern is closing the Authority's books by the end of June. Ms. Knotts agreed to expedite the review and expressed openness to a retroactive rate effective January 1.
- Chairman Tuggle suggested that the CEO and Ford work towards an agreement to find common ground and a resolution before the April meeting.
- CEO Bright emphasized that the information in the rate study is based on actual expenses, and a lot of which were unknown in FY25. He stated they were realistic budget numbers and are easy to explain. He stressed the importance of aligning with municipal utility practices and complying with statutory requirements that prohibit operating at a deficit after December 31, 2026. The Board will need to define what 'deficit' means. He conveyed that the rate consultant had been instructed to act as if the Authority was a municipality, to maintain transparency with the Comptroller's office, and to operate in accordance with the practices of the other 480 municipalities in the state.
- CEO Bright mentioned that in its first two years, the Authority was in a negative mode, however, the Authority needs to implement 100% depreciation starting in July 2026. Mayor Huffman emphasized the importance of being on solid legal ground, stating that there are strong attorneys on the board, and the Authority will need to rely on Mr. Bowles and their expertise.
- Ms. Richards proposed adopting the rate now and allowing for a retroactive adjustment if an agreement is reached between Ford and the CEO that results in a lower rate. In that case, the Authority could provide a credit. Ms. Knotts expressed concern that this approach might be overly complicated and questioned how much good-faith negotiation would take place if the rates were already established.
- Ms. Knotts also pointed out that the Tennessee Board of Utility Regulation has acknowledged the depreciation burdens faced by fast-growing areas and has outlined parameters for potential relief options.

- Commissioner McWhorter suggested another option where conversations can take place, and then the Board can call a special meeting. He stated that he believes a lot could be done in the next 30 days instead of waiting until April. Chairman Tuggle agreed that this is an excellent option and asked CEO Bright if 30 days would be sufficient. CEO Bright confirmed and added it would also depend on Ford and the Bradley firm.
- Chairman Tuggle asked if there was a motion to have a 30-day determination and a special-called board meeting.
 - Motion made by Mayor Huffman
 - Seconded by Mr. Duke
 - CEO Bright asked if the special meeting could be held virtually. Ms. Henderson, Counsel, will follow up to confirm whether the board has the authority to meet electronically or without a physical quorum.
 - In a roll-call vote, the motion passed.
- Review of Proposed Site Plans – County Site
 - Chairman Tuggle introduced the next agenda item and called on Mr. Duke to present.
 - Mr. Duke mentioned that about a year ago, he discussed the potential need for property on the Megasite for a Sheriff’s substation and possibly a county service building. A parcel of approximately 7.5 acres near Gate A has been identified for this purpose. Mr. Duke then introduced Sheriff Billy Garrett to elaborate on the potential needs.
 - Sheriff Garrett expressed his appreciation for the opportunity to speak and introduced his team: Chief Terry Smith and Lieutenant Moore. He highlighted the anticipated growth related to Blue Oval City and the corresponding increase in public safety needs.
 - Sheriff Garrett noted that police visibility is crucial for crime prevention and community safety. It helps ensure quick response times and maintain public confidence amid residential, commercial, and industrial growth in the area. He said they have been able to manage with what they have for now, but they need to be proactive.
 - He reported recent successes, including:
 - A 22% reduction in crime in Haywood County.
 - A decrease in traffic fatalities from nine last year to zero this year.
 - No murders reported in the past year, which he attributed to increased visibility and proactive policing.

- Sheriff Garrett also discussed a new law that allows law enforcement to operate on private property, as well as an additional bill in progress that will permit the enforcement of speed limits on Ford property. Mr. Duke noted Senator Wally assisted in drafting legislation to support these changes.
- Mr. Duke thanked Sheriff Garrett and recognized Pat Harcourt (A2H Engineer) to provide input on the identified location.
- Pat Harcourt reported:
 - TDOT's Jason Moody was generally positive about the proposed location and wants the road to be a private connector road to align with the existing intersection.
 - Minor adjustments may be needed for a utility pole near the intersection; signal modifications could be required in the future.
 - Long-term planning may include an additional road through the property to connect to Exit 47 for safety and future development.
- CEO Bright noted that during a recent site visit with Mr. Harcourt, they reviewed property conditions and discussed future planning. He stressed the importance of coordinating with TDOT about the intersection on State Route 222. CEO Bright suggested that, given the potential for future growth, the intersection should ideally be a public intersection rather than a private road. This approach would support long-term development and ensure access to facilities such as the proposed Sheriff's substation and nearby properties. He noted the Authority's policy of gifting land for infrastructure improvements and stated this request aligns with that policy.
- Board members discussed whether to gift the entire 7.5-acre parcel or only the portion needed for the substation. CEO Bright recommended gifting only the necessary portion while retaining control of the remainder for future development and planning. Ms. Richards supported the substation but stressed the need to maintain flexibility for future road access. Mr. Banks suggested gifting the full parcel due to its limited usability. The consensus was to approve gifting property for the substation, subject to further planning with TDOT and A2H to determine the exact needs and boundaries.
- Ms. Richards agreed that it would define it enough so that the Authority could approve the gifting of the property today, subject to the work that needs to be done. CEO Bright stated this confirms they have the board's approval to move forward, have those conversations, start designing, and start spending money.
 - Original Motion
 - Jim Duke made a motion to approve gifting the entire 7.46-acre parcel on the Megasite near Gate A to Haywood County for the purpose of constructing a Sheriff's substation and potential future county service building.
 - Seconded by Ms. Richards
 - Mr. Banks amended the motion that the board commit to gifting a portion of the 7.45-acre parcel to Haywood County, for the purpose of constructing a

Sheriff's substation and potential future county service building, subject to additional planning.

- Seconded by Commissioner McWhorter
- Original Motion: Approved by roll call vote
- Amended Motion: Approved by roll call vote.
- Chairman Tuggle stated the motion is amended and approved.
- Proclamation Approval
 - Chairman Tuggle introduced the next item on the agenda and asked Mr. Duke to read the proclamation. Mr. Duke stated that Senator Wally and Representatives Moody and Shaw are prepared to present the General Assembly with a proclamation naming the wastewater facility after Michael Banks. Mr. Duke read the entire justification, which highlighted Mr. Banks' extensive efforts in securing subsurface easements for the installation of an 18-inch water and wastewater line from the Megasite to the Mississippi River spanning 38 miles and 240 landowners.
 - Mr. Duke made a motion that the proclamation be approved.
 - Second by Ms. Richards
 - Chairman Tuggle commended Mr. Banks for his dedication and perseverance, noting that his efforts were critical to the success of the project.
 - In a voice vote, the motion was approved. Mr. Banks abstained.
- Public Comments
 - There were no additional public comments.
- Other Business
 - Mayor Huffman announced that in Tipton County today, they are hosting a ribbon-cutting ceremony for a \$3 million animal control facility and extended an invitation to Chairman Tuggle to attend.
 - CEO Bright reported that the Authority successfully closed on Mr. Johnson's property on December 29, noting this was a long-awaited milestone.
 - Chairman Tuggle asked if there was any further business. Hearing none, he called for a motion to adjourn.
 - Motion made by Mr. Banks
 - In a voice vote, the motion passed, and the meeting adjourned.

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