



JASON E. MUMPOWER
Comptroller

TENNESSEE STATE FUNDING BOARD
MARCH 25, 2024
AGENDA

1. Call meeting to order, establish that there is a physical quorum, and receive public comment on actionable items in accordance with 2023 Public Chapter 300 and Board guidelines
2. Consideration for approval of minutes from the December 14, 2023, meeting
3. Report from the Department of Economic and Community Development for approval of funding for the following FastTrack projects:
 - **Bridgetown Natural Foods, LLC – Mount Juliet (Wilson County)**
FastTrack Job Training Assistance Grant \$1,314,000
 - **Schneider Electric USA, Inc. – Smyrna (Rutherford County)**
FastTrack Job Training Assistance Grant \$ 400,000
 - **Schneider Electric USA, Inc. – Mount Juliet (Wilson County)**
FastTrack Economic Development Grant \$3,000,000
 - **AYM Inc. – Bristol (Sullivan County)**
FastTrack Economic Development Grant \$ 900,000
 - **Shoals Technologies Group, LLC. – Portland (Sumner County)**
FastTrack Job Training Assistance Grant \$2,499,887
 - **A.O. Smith Corporation – Ashland City (Cheatham County)**
FastTrack Job Training Assistance Grant \$ 520,000
 - **Nokian Tyres U.S. Operations LLC – Dayton (Rhea County)**
FastTrack Job Training Assistance Grant \$1,625,000
4. Presentation of the staff analysis of “An Economic Report to the Governor of the State of Tennessee” along with:
 - List Identifying State Tax and Non-Tax Revenue Sources from the Attorney General pursuant to Tenn. Code Ann. § 9-4-5202
 - Tennessee Personal Income Letter from University of Tennessee, Haslam College of Business, Boyd Center for Business & Economic Research

5. Report on Second Notice of Default of Conduit Financing Debt Obligation by the Industrial Development Board of the Metropolitan Government of Nashville and Davidson County, Tennessee
6. Acknowledgement of receipt of the “State of Tennessee Cash Management Improvement Act Annual Report State Fiscal Year 2023”
7. Adjourn

TENNESSEE STATE FUNDING BOARD
December 14, 2023

The Tennessee State Funding Board (the “Board”) met on Thursday, December 14, 2023, at 2:04 p.m., in the Volunteer Conference Center, 2nd Floor, Cordell Hull Building, Nashville, Tennessee. The Honorable David H. Lillard, Jr., State Treasurer, was present and presided over the meeting.

The following members were also physically present:

The Honorable Tre Hargett, Secretary of State
Commissioner Jim Bryson, Department of Finance and Administration

The following members were absent:

The Honorable Bill Lee, Governor
The Honorable Jason E. Mumpower, Comptroller of the Treasury

Having established a quorum, Treasurer Lillard called the meeting to order and presented the minutes from the meeting held on November 6, 2023, and reconvened on November 29, 2023, for consideration and approval. Commissioner Bryson made a motion to approve the minutes. Secretary Hargett seconded the motion, and it was unanimously approved.

Treasurer Lillard then recognized Commissioner Stuart McWhorter, Tennessee Department of Economic and Community Development (“ECD”), to present FastTrack projects for consideration, and Mr. Allen Borden, Deputy Commissioner of Business, Community and Rural Development, ECD, and Ms. Jessica Johnson, Assistant Commissioner of Administration and Operations, ECD, to present the “FastTrack Report to State Funding Board” (the “Report”). Ms. Johnson reported that, as of the date of the November 6, 2023, Board meeting, the FastTrack balance was \$679,794,198.97. Since that time, \$1,486,856.14 in funds had been deobligated; \$6,000,000.00 in new grants or loans greater than \$750,000.00 had been approved; \$593,928.00 in new grants or loans less than \$750,000.00 had been approved; and \$316,786.75 in funds had been spent on FastTrack administrative expenses, which resulted in an adjusted FastTrack balance available for funding grants and loans of \$674,370,340.36 as of the date of the Report. Ms. Johnson reported that total commitments had been made in the amount of \$529,916,619.55, resulting in an uncommitted FastTrack balance of \$144,453,720.81. Ms. Johnson reported that the amount of proposed grants for projects to be considered at this meeting totaled \$10,650,000.00, and if these projects were approved, the uncommitted balance would be \$133,803,720.81, for a total committed balance of \$540,566,619.55, which represented 80.2% of the FastTrack balance.

Commissioner McWhorter then presented the following FastTrack projects:

- **Custom Foods of America Inc. – Knoxville (Knox County)**
FastTrack Economic Development Grant \$ 1,500,000.00

- **Axle Logistics, LLC and Blue Print Property Group II, LLC – Knoxville (Knox County)**
FastTrack Economic Development Grant \$5,000,000.00

- **Florim USA, Inc. – Clarksville (Montgomery County)**
FastTrack Economic Development Grant \$1,000,000.00

- **Vonore Fiber Products, LLC – Vonore (Monroe County)**
FastTrack Economic Development Grant \$2,250,000.00
- **NewBasis, LLC – Lebanon (Wilson County)**
FastTrack Economic Development Grant \$ 900,000.00

The Board member packets included letters and FastTrack checklists signed by Commissioner McWhorter, and incentive acceptance forms signed by company representatives. Treasurer Lillard made a motion to approve the projects. Secretary Hargett seconded the motion, and the motion was unanimously approved.

Mr. Borden noted that ECD was particularly proud of the agenda of projects that were approved as each of the five projects were for five distinct companies, each one in a different industrial sector. Mr. Borden further stated that ECD was working very hard to diversify the state’s portfolio of companies and industrial sectors.

For the record, Treasurer Lillard then inquired if the companies that had signed the incentive acceptance forms fully understood the agreements, and Commissioner McWhorter responded affirmatively. Treasurer Lillard then inquired if checklists had been completed for each project, and Commissioner McWhorter responded affirmatively. Treasurer Lillard then inquired if all the projects included accountability agreements which would provide protections for the state in the event the entity could not fulfill the agreement, and Commissioner McWhorter responded affirmatively.

Treasurer Lillard, in accordance with Public Chapter 300 and Board guidelines, then asked Ms. Sandra Thompson, Director of the Division of State Government Finance (“SGF”) and Assistant Secretary to the Board, if any requests for public comment had been received. Ms. Thompson responded that no requests had been received.

Treasurer Lillard then recognized Ms. Thompson to detail a scrivener’s error on the “Resolution Certifying and Authorizing the Allocation of Funds to the Sinking Fund for the 2023-2024 Fiscal Year” approved at the June 27, 2023, meeting, for acknowledgment by the Board. Ms. Thompson noted that a small scrivener’s error was recognized on the resolution, and that staff needed the Board to recognize and acknowledge that revision to the resolution. The Board acknowledged the revision.

Treasurer Lillard then recognized Mr. James McLaren, Counsel, Adams and Reese LLC, to present a report from the Economic Development Growth Engine Industrial Development Board of Memphis and Shelby County (“EDGE”) on the Graceland Project (the “Project”). Mr. McLaren detailed the history and the campus redevelopment of the Project. Mr. McLaren stated that the Project initially began with the approval of a Tourism Development Zone (“TDZ”) for the Graceland Campus in 2014. Mr. McLaren further stated that as a part of that Project a hotel was built and completed on the campus grounds in 2017. Mr. McLaren then stated that, at the time of the hotel’s completion, the original private equity debt of the Project was refinanced with long-term publicly traded bonds.

Mr. McLaren then presented on the financial situation of the Project. Mr. McLaren stated that there were five series of bonds issued in 2017. Mr. McLaren further stated that \$40,490,000 was issued as tax-exempt debt under the 2017 Series A Graceland Project Senior Tax Increment Revenue Bonds (the “2017A Bonds”) and secured by the TDZ revenues and Tax Increment Financing (“TIF”) put in place by the city and county. Mr. McLaren then stated that the Project was additionally funded by the 2017 Series B Graceland Project Senior Tax Increment Revenue Bonds (the “2017B Bonds”) secured by a 5% self-imposed additional sales tax surcharge on the Graceland Campus; the 2017 Series C Graceland Project Subordinate Tax Increment Revenue Bonds (the “2017C Bonds”) that is subordinate to the 2017A and 2017B Bonds; the 2017 Series D Graceland Project Subordinate Tax Increment Revenue Bonds (the “2017D Bonds”) that were privately placed; and the 2017 Series E Graceland Project Subordinate Tax Increment Revenue Bonds (the “2017E Bonds”) that were held by Graceland related entities. Mr. McLaren then spoke on the payment defaults that had occurred on those bond issues, noting the following monetary defaults:

- 2017A Bonds - \$720,000 default on 7/1/2023.
- 2017C Bonds - \$853,125 default on 7/1/2021; \$853,125 default on 1/1/2022; \$853,125 default on 7/1/2022; and a \$853,125 default on 1/1/2023
- 2017D Bonds - \$205,219 default on 7/1/2021; \$205,219 default on 1/1/2022; \$390,219 default on 7/1/2022; \$193,669 default on 1/1/2023; and a \$463,669 default on 7/1/2023

Mr. McLaren reported on the nature of TDZ revenues receipt. Mr. McLaren noted that revenue collections may lag up to fifteen months and the pandemic-reduced visitation to Graceland did not affect the project financially until a few years later. Mr. McLaren further reported on current and expected revenues, providing more detail on the current situation of each series of bonds.

Mr. McLaren then discussed the existing DSRF deficiencies for each bond series, the visitation and revenue numbers for Graceland, and the estimated dates for when defaults would be paid in full for each series of Graceland bonds. Mr. McLaren noted that based on the prior year’s TDZ and TIF revenues, the excess revenues were estimated to be capable of paying the defaults in full and replenishing the DSRF for the 2017A Bonds by July 1, 2026, the 2017C Bonds by January 1, 2027, and the 2017D Bonds by July 1, 2029. Mr. McLaren then stated that the defaults could be cured sooner if the TDZ and TIF revenue growth continued into future years.

Treasurer Lillard then asked if the 2017A Bonds were widely distributed. Mr. McLaren replied in the affirmative and then stated that the 2017A Bonds had been publicly sold. Treasurer Lillard then inquired about the 2017C and 2017D Bonds. Mr. McLaren replied that the 2017C Bonds had been sold through a limited offering and the 2017D Bonds had been privately placed. Treasurer Lillard then asked if the 2017C and 2017D Bonds had been placed with institutional investors. Mr. McLaren replied that the 2017D Bonds had been placed with institutional investors and although he had not seen the list of bond purchasers for the 2017C Bonds, he anticipated that those bonds were also placed with institutional investors. No further action was necessary.

Treasurer Lillard observed no further business to come before the Board and made a motion to adjourn. Secretary Hargett seconded the motion, and the motion was unanimously approved. The meeting was adjourned.

Approved on this _____ day of _____ 2024.

Respectfully submitted,

Sandra Thompson,
Assistant Secretary

FastTrack Report to State Funding Board

3/19/2024

1. Previous FastTrack Balance, as of Last Report	674,370,340.36	
2. + New Appropriations:	0.00	
3. + Newly Deobligated Funds:	1,031,691.39	
4. + Funds Transferred to FastTrack:	0.00	
5. - Funds Transferred from FastTrack:	(22,979,056.45)	
6. - FastTrack Grants or Loans Approved Greater Than \$750,000:	(32,049,653.00)	
7. - FastTrack Grants or Loans Approved Less Than \$750,000:	(6,671,083.00)	
8. - FastTrack Administration	(767,477.19)	
9. Adjusted FastTrack Balance Available for Funding FastTrack Grants or Loans:	612,934,762.11	
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10. Total Amount of Commitments:	548,164,124.91	
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11. Uncommitted FastTrack:	64,770,637.20	
12. Percentage Committed:	89.4%	
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13. Amount of Proposed Grants or Loans:	10,258,887.00	
14. Uncommitted FastTrack Balance if Proposed Grants or Loans Approved:	54,511,750.20	
15. Percentage Committed:	91.1%	

See next page for explanations of the above questions.

I have reviewed the above and believe it to be correct:



Commissioner of Economic and Community Development

Date: 3-19-24



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

March 25, 2024

Comptroller Jason Mumpower
First Floor, State Capitol
Nashville, TN 37243

Dear Comptroller Mumpower:

The Department of Economic & Community Development (the "Department") seeks approval by the State Funding Board (the "Board") pursuant to T.C.A. § 4-3-717(a) authorizing FastTrack infrastructure, training, and economic development grants where there is a commitment by an eligible business to create or retain private sector jobs or engage in private investment or where the Commissioner of Economic and Community Development determines that such investment will have a direct impact on employment and investment opportunities in the future. The following projects meet the statutory requirements, and the Department presents these projects to the Board pursuant to the mandates of T.C.A. § 4-3-717(e), which requires approval of grants and loans under the FastTrack Infrastructure Development Program, the FastTrack Job Training Assistance Program, and the FastTrack Economic Development Program that exceed \$750,000 per eligible business within a three (3) year period.

1. **Bridgetown Natural Foods, LLC – Mount Juliet (Wilson County)**

Bridgetown Natural Foods, LLC is headquartered in Portland, Oregon. The company specializes in manufacturing and distributing its innovative and sustainable food products to customers across the U.S. Upon completion, Bridgetown will employ more than 600 people across its Oregon and Tennessee plants.

Bridgetown's new facility will house multiple manufacturing lines, which will produce nearly 100 million pounds of the company's all-natural, organic and gluten-free snack brands annually and optimize distribution to the East Coast by shortening delivery times and decreasing shipping costs. The Wilson County facility will be Bridgetown's second location outside of its West Coast headquarters.

Bridgetown Natural Foods, LLC has committed to create 219 net new jobs and make a \$78,267,009 capital investment within five (5) years. The company will have an average hourly wage of \$22.13 for the new positions.

FastTrack Job Training Assistance Program funds will be used to train the net new full-time employees for a total of \$1,314,000. **(\$1,314,000)**



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

Total FastTrack funds for this project - \$1,314,000

2. Schneider Electric USA, Inc. – Smyrna (Rutherford County)

Schneider Electric is a global energy solutions provider that has seen unprecedented growth in the energy sector. The investment in both Tennessee locations will strengthen production capacity, allowing Schneider Electric to better meet its customer demand for energy management and automation products.

, Schneider Electric plans to expand in Smyrna with the creation of 100 new jobs at its Rutherford County location. Upon completion, Schneider Electric will employ more than 1,900 Tennesseans across its facilities in Franklin, Maryville, Memphis, Smyrna and Mt. Juliet.

Schneider Electric USA, Inc. has committed to create 100 net new jobs and make a \$2,950,000 capital investment within five (5) years. The company will have an average hourly wage of \$24.52 for the new positions.

FastTrack Job Training Assistance Program funds will be used to train the net new full-time employees for a total of \$400,000. **(\$400,000)**

Total FastTrack funds for this project - \$400,000

3. Schneider Electric USA, Inc. – Mount Juliet (Wilson County)

Schneider Electric is a global energy solutions provider that has seen unprecedented growth in the energy sector. The investment in both Tennessee locations will strengthen production capacity, allowing Schneider Electric to better meet its customer demand for energy management and automation products.

Schneider Electric will create 355 new jobs in Mt. Juliet as the company locates a new facility on Maddox Road in Wilson County. Upon completion, Schneider Electric will employ more than 1,900 Tennesseans across its facilities in Franklin, Maryville, Memphis, Smyrna and Mt. Juliet.

Schneider Electric USA, Inc. has committed to create 355 net new jobs and make a \$82,000,000 capital investment within five (5) years. The company will have an average hourly wage of \$26.01 for the new positions.

FastTrack Economic Development Grant Funds will help offset expenses such as building retrofit, building expansion, building improvements, and fixture improvements for a total of \$3,000,000. **(\$3,000,000)**



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

Total FastTrack funds for this project - \$3,000,000

4. AYM Inc. – Bristol (Sullivan County)

A.Y. McDonald Mfg. Co. is a major manufacturer of water works valves and fittings, plumbing supplies, natural gas meter bars and valves, and residential and commercial water pumping systems. The Company has distinguished itself with a proud tradition of quality and reliability since its founding in 1856.

AYM Inc., which has grown out of its current location, will expand their operations in Bristol. This new production facility will allow the company to retain their 270 current employees as well as add additional jobs.

AYM Inc. has committed to create 96 net new jobs and make a \$53,533,000 capital investment within five (5) years. The company will have an average hourly wage of \$19.62 for the new positions.

FastTrack Economic Development Grant Funds will help offset expenses such as new building construction for a total of \$900,000. **(\$900,000)**

Total FastTrack funds for this project - \$900,000

5. Shoals Technologies Group, LLC. – Portland (Sumner County)

Headquartered in Portland, Tennessee, Shoals Technologies Group is a leading electrical balance of systems (EBOS) provider for solar, energy storage and eMobility. The company serves its customers worldwide from several locations in the U.S.

Shoals Technologies Group will expand its existing manufacturing and distribution operations to a new, larger location in Portland, Tennessee. As part of the expansion, Shoals will relocate its manufacturing operations to a 638,000-square-foot plant at 1500 Shoals Way. The additional staff and larger facility will enable Shoals to better meet its growing customer demand for solar power.

Shoals Technologies Group, LLC. has committed to create 551 net new jobs and make a \$80,010,880 capital investment within five (5) years. The company will have an average hourly wage of \$36.15 for the new positions.

FastTrack Job Training Assistance Program funds will be used to train the net new full-time employees for a total of \$2,499,887. **(\$2,499,887)**



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

Total FastTrack funds for this project - \$2,499,887

6. A.O. Smith Corporation – Ashland City (Cheatham County)

A.O. Smith Corporation is a leading global manufacturer and marketer of residential and commercial water heaters. A. O. Smith offers its customers an additional advantage in that the company designs, builds, distributes, and supports the world's broadest and deepest line of residential and commercial water heaters, as well as commercial boilers. This single-source concept simplifies processes and service and is backed by 80 years of research and innovation.

A. O. Smith Water Products Company is headquartered at 500 Tennessee Waltz Parkway Ashland City, Tennessee, home of the world's largest water heater factory. The A. O. Smith network includes five manufacturing facilities in North America, plus plants in Asia and Europe.

A.O. Smith Corporation has committed to growth in the state of Tennessee with new innovations, continued job opportunities, employee training and investments for advancement.

A.O. Smith Corporation has committed to create 130 net new jobs and make a \$42,786,500 capital investment within five (5) years. The company will have an average hourly wage of \$23.98 for the new positions.

FastTrack Job Training Assistance Program funds will be used to train the net new full-time employees for a total of \$520,000. **(\$520,000)**

Total FastTrack funds for this project - \$520,000

7. Nokian Tyres U.S. Operations LLC – Dayton (Rhea County)

Founded in Finland, Nokian Tyres develops, manufactures and distributes its premium tires worldwide with operations in Europe and North America. Since establishing a presence in Rhea County seven years ago, Nokian Tyres will have invested more than \$400 million and created 500 new jobs in Tennessee once this expansion is complete.

Nokian Tyres, which opened its first U.S. factory in Dayton in 2020, will create an additional 175 new jobs in Rhea County, increasing its total headcount in Southeast Tennessee to approximately 575 people. With the additional employment and construction of a 600,000-square-foot tire warehouse, Nokian Tyres will strengthen the company's nine-warehouse network across the U.S. and Canada by reaching full production capacity of up to four million tires per year by 2024.



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

Nokian Tyres U.S. Operations LLC has committed to create 175 net new jobs and make a \$174,142,680 capital investment within five (5) years. The company will have an average hourly wage of \$20.23 for the new positions.

FastTrack Job Training Assistance Program funds will be used to train the net new full-time employees for a total of \$1,625,000. **(\$1,625,000)**

Total FastTrack funds for this project - \$1,625,000

Sincerely,

A handwritten signature in blue ink that reads "Stuart McWhorter".

Stuart McWhorter

SM/js

State Funding Board FastTrack Checklist

FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T.C.A. § 4-3-717(e).

Please identify the type of FastTrack funding requested and the grant or loan amount:

TYPE OF FUNDING	RECIPIENT ENTITY	GRANT AMOUNT	LOAN AMOUNT
INFRASTRUCTURE			
TRAINING*	Bridgetown Natural Foods, LLC	\$1,314,000	
ECONOMIC DEVELOPMENT			
TOTAL		\$1,314,000	

(Recipient entity must be a local government, their economic development organization, a political subdivision of the state, or an eligible business beneficiary [for training only].)

*ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity): Bridgetown Natural Foods, LLC

Complete the General Statutory Compliance section below and the section(s) that corresponds with the type of funding indicated above. General Statutory Compliance items apply to all types of funding represented above.

GENERAL STATUTORY COMPLIANCE

1. Will this new commitment cause the FastTrack appropriations to be over-committed T.C.A. § 4-3-716(g)?
If "yes," state funding board concurrence is required. Attach the commissioner's rationale used to determine the amount of actual commitments unlikely to be accepted based on historical program trends (maximum allowed is 130% of the appropriations available for new grants). Yes No
2. Will this new commitment place in jeopardy compliance with the legislative intent that actual expenditures and obligations to be recognized at the end of the fiscal year not exceed available reserves and appropriations of the programs T.C.A. § 4-3-716(g)? Yes No
3. Does this grant or loan comply with the legislative intent to distribute FastTrack funds in all areas of the state to the extent practicable T.C.A. § 4-3-716(f)? Yes No
4. Has the commissioner of economic and community development provided to the commissioner of finance and administration (with copies transmitted to the speaker of the house of representatives, the speaker of the senate, the chairs of the finance, ways and means committees, the state treasurer, the state comptroller, the office of legislative budget analysis, and the secretary of state) the most recent quarterly report regarding the status of the appropriations for the FastTrack fund T.C.A. § 4-3-716(h)? Yes No

Identify which of the following apply:

5. a. Does the business export more than half of their products or services outside of Tennessee T.C.A. § 4-3-717(h)(1)(A)?
- b. Do more than half of the business' products or services enter into the production of exported products T.C.A. § 4-3-717(h)(1)(B)?
- c. Does the use of business' products primarily result in import substitution on the replacement of imported products or services with those produced in the state T.C.A. § 4-3-717(h)(1)(C)?
- d. Has the commissioner of economic and community development determined the business has other types of economic activity that contributes significantly to community development education and has a beneficial impact on the economy of the state T.C.A. § 4-3-717(h)(1)(D)? If "yes," attach the commissioner's rationale.

Applicant must answer "Yes" to a or b.

6. a. Is there a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs and investment T.C.A. § 4-3-717(a)? If "yes," attach documentation.
- b. Has the commissioner of economic and community development determined that this investment will have a direct impact on employment and investment opportunities in the future T.C.A. § 4-3-717(a)? If "yes," attach the commissioner's rationale.

TRAINING

- 7. Will the grant support the training of new employees for locating or expanding industries T.C.A. § 4-3-717(c)(1)? Yes No
- 8. Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes T.C.A. § 4-3-717(c)(2)? Yes No

INFRASTRUCTURE

- 9. Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? T.C.A. § 4-3-717(b)(2-3)? Yes No
- 10. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)? Yes No
- 11. In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates T.C.A. § 4-3-717(f)? Yes No


Applicant must answer "Yes" to a or b.

- 12. a. Will the grant or loan address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry T.C.A. § 4-3-717(h)(2)?
- b. Has the commissioner of economic and community development determined the funds make significant technological improvements such as digital switches or fiber optic cabling that would have a beneficial impact on the economy of this state T.C.A. § 4-3-717(h)(2)? If "yes," attach the commissioner's rationale.

ECONOMIC DEVELOPMENT

- 13. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)? Yes No
- 14. Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds T.C.A. § 4-3-717(d)(1)? Yes No
- 15. Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business T.C.A. § 4-3-717(d)(1)? Yes No
- 16. Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community T.C.A. § 4-3-717(d)(1)? If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact. Yes No
- 17. The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used T.C.A. § 4-3-717(d)(2). Attach documentation. Yes No

I have reviewed this document and believe it to be correct.


Commissioner of Economic and Community Development

3-17-24
Date



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

September 27, 2023

INCENTIVE ACCEPTANCE FORM

This form serves as notice that Bridgetown Natural Foods, LLC intends, in good faith, to create 219 private sector jobs in Mount Juliet, Wilson County and make a capital investment of \$78,267,009 in exchange for incentives that will be memorialized in a grant agreement between Bridgetown Natural Foods, LLC and the State of Tennessee. New jobs must be in addition to the company's baseline of 0 jobs at the project site in Tennessee.

ECD OFFER SUMMARY

FastTrack Job Training Grant:	\$ 1,314,000
Total ECD Commitment:	\$ 1,314,000

Please sign your name in the space below to signify Bridgetown Natural Foods, LLC's acceptance of ECD's offer set forth above and return it by December 26, 2023 to:

Tennessee Department of Economic and Community Development
Attn: Allyson Crystal
312 Rosa Parks Avenue, 27th Floor
Nashville, TN 37243
Allyson.Crystal@tn.gov

Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form. The incentives described in this letter are based upon the representations made by the Company to ECD regarding the project. ECD reserves the right to revise the incentives described in this Incentive Acceptance Form if any aspect of the project changes after receipt of this form. Changes that could result in revision of incentives include, but are not limited to, number of jobs, amount of capital investment, composition of company vs. contract jobs, average wage, or location of the project. ECD reserves the right to recover funds for this project if grant contracts are not executed within one year of the date of signature below.

Signature: 
(Authorized Representative of Company)

Date: 10/2/2023

State Funding Board FastTrack Checklist

FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T.C.A. § 4-3-717(e).

Please identify the type of FastTrack funding requested and the grant or loan amount:

TYPE OF FUNDING	RECIPIENT ENTITY	GRANT AMOUNT	LOAN AMOUNT
INFRASTRUCTURE			
TRAINING*	Schneider Electric USA, Inc.	\$400,000	
ECONOMIC DEVELOPMENT			
TOTAL		\$400,000	

(Recipient entity must be a local government, their economic development organization, a political subdivision of the state, or an eligible business beneficiary [for training only].)

*ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity): Schneider Electric USA, Inc.

Complete the General Statutory Compliance section below and the section(s) that corresponds with the type of funding indicated above. General Statutory Compliance items apply to all types of funding represented above.

GENERAL STATUTORY COMPLIANCE

1. Will this new commitment cause the FastTrack appropriations to be over-committed T.C.A. § 4-3-716(g)?
If "yes," state funding board concurrence is required. Attach the commissioner's rationale used to determine the amount of actual commitments unlikely to be accepted based on historical program trends (maximum allowed is 130% of the appropriations available for new grants). Yes No
2. Will this new commitment place in jeopardy compliance with the legislative intent that actual expenditures and obligations to be recognized at the end of the fiscal year not exceed available reserves and appropriations of the programs T.C.A. § 4-3-716(g)? Yes No
3. Does this grant or loan comply with the legislative intent to distribute FastTrack funds in all areas of the state to the extent practicable T.C.A. § 4-3-716(f)? Yes No
4. Has the commissioner of economic and community development provided to the commissioner of finance and administration (with copies transmitted to the speaker of the house of representatives, the speaker of the senate, the chairs of the finance, ways and means committees, the state treasurer, the state comptroller, the office of legislative budget analysis, and the secretary of state) the most recent quarterly report regarding the status of the appropriations for the FastTrack fund T.C.A. § 4-3-716(h)? Yes No

Identify which of the following apply:

5. a. Does the business export more than half of their products or services outside of Tennessee T.C.A. § 4-3-717(h)(1)(A)?
- b. Do more than half of the business' products or services enter into the production of exported products T.C.A. § 4-3-717(h)(1)(B)?
- c. Does the use of business' products primarily result in import substitution on the replacement of imported products or services with those produced in the state T.C.A. § 4-3-717(h)(1)(C)?
- d. Has the commissioner of economic and community development determined the business has other types of economic activity that contributes significantly to community development education and has a beneficial impact on the economy of the state T.C.A. § 4-3-717(h)(1)(D)? If "yes," attach the commissioner's rationale.

Applicant must answer "Yes" to a or b.

6. a. Is there a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs and investment T.C.A. § 4-3-717(a)? If "yes," attach documentation.
- b. Has the commissioner of economic and community development determined that this investment will have a direct impact on employment and investment opportunities in the future T.C.A. § 4-3-717(a)? If "yes," attach the commissioner's rationale.

TRAINING

- 7. Will the grant support the training of new employees for locating or expanding industries *T.C.A. § 4-3-717(c)(1)*? Yes No
- 8. Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes *T.C.A. § 4-3-717(c)(2)*? Yes No

INFRASTRUCTURE

- 9. Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? *T.C.A. § 4-3-717(b)(2-3)* Yes No
- 10. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state *T.C.A. § 4-3-717(d)(1)*? Yes No
- 11. In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates *T.C.A. § 4-3-717(f)*? Yes No

Applicant must answer "Yes" to a or b.

- 12. a. Will the grant or loan address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry *T.C.A. § 4-3-717(h)(2)*?
- b. Has the commissioner of economic and community development determined the funds make significant technological improvements such as digital switches or fiber optic cabling that would have a beneficial impact on the economy of this state *T.C.A. § 4-3-717(h)(2)*? If "yes," attach the commissioner's rationale.

ECONOMIC DEVELOPMENT

- 13. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state *T.C.A. § 4-3-717(d)(1)*? Yes No
- 14. Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds *T.C.A. § 4-3-717(d)(1)*? Yes No
- 15. Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business *T.C.A. § 4-3-717(d)(1)*? Yes No
- 16. Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community *T.C.A. § 4-3-717(d)(1)*? If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact. Yes No
- 17. The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used *T.C.A. § 4-3-717(d)(2)*. Attach documentation. Yes No

I have reviewed this document and believe it to be correct.



Commissioner of Economic and Community Development

3-17-24

Date



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

March 1, 2024

INCENTIVE ACCEPTANCE FORM

This form serves as notice that Schneider Electric USA, Inc. intends, in good faith, to create 100 private sector jobs in Smyrna, Rutherford County and make a capital investment of \$2,950,000 in exchange for incentives that will be memorialized in a grant agreement between Schneider Electric USA, Inc. and the State of Tennessee. New jobs must be in addition to the company's baseline of 420 jobs at the project site in Tennessee.

ECD OFFER SUMMARY

FastTrack Job Training Grant:	\$ 400,000
Total ECD Commitment:	\$ 400,000

Please sign your name in the space below to signify Schneider Electric USA, Inc.'s acceptance of ECD's offer set forth above and return it by May 30, 2024 to:

Tennessee Department of Economic and Community Development
Attn: Sydney Forrest
312 Rosa Parks Avenue, 27th Floor
Nashville, TN 37243
Sydney.Forrest@tn.gov

Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form. The incentives described in this letter are based upon the representations made by the Company to ECD regarding the project. ECD reserves the right to revise the incentives described in this Incentive Acceptance Form if any aspect of the project changes after receipt of this form. Changes that could result in revision of incentives include, but are not limited to, number of jobs, amount of capital investment, composition of company vs. contract jobs, average wage, or location of the project. ECD reserves the right to recover funds for this project if grant contracts are not executed within one year of the date of signature below.

Signature:
(Authorized Representative of Company)

Date: 3/1/24

State Funding Board FastTrack Checklist

FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T.C.A. § 4-3-717(e).

Please identify the type of FastTrack funding requested and the grant or loan amount:

TYPE OF FUNDING	RECIPIENT ENTITY	GRANT AMOUNT	LOAN AMOUNT
INFRASTRUCTURE			
TRAINING*			
ECONOMIC DEVELOPMENT	Industrial Development Board of Wilson County	\$3,000,000	
TOTAL		\$3,000,000	

(Recipient entity must be a local government, their economic development organization, a political subdivision of the state, or an eligible business beneficiary [for training only].)

*ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity): Schneider Electric USA, Inc.

Complete the General Statutory Compliance section below and the section(s) that corresponds with the type of funding indicated above. General Statutory Compliance items apply to all types of funding represented above.

GENERAL STATUTORY COMPLIANCE

1. Will this new commitment cause the FastTrack appropriations to be over-committed T.C.A. § 4-3-716(g)?
If "yes," state funding board concurrence is required. Attach the commissioner's rationale used to determine the amount of actual commitments unlikely to be accepted based on historical program trends (maximum allowed is 130% of the appropriations available for new grants). Yes No
2. Will this new commitment place in jeopardy compliance with the legislative intent that actual expenditures and obligations to be recognized at the end of the fiscal year not exceed available reserves and appropriations of the programs T.C.A. § 4-3-716(g)? Yes No
3. Does this grant or loan comply with the legislative intent to distribute FastTrack funds in all areas of the state to the extent practicable T.C.A. § 4-3-716(f)? Yes No
4. Has the commissioner of economic and community development provided to the commissioner of finance and administration (with copies transmitted to the speaker of the house of representatives, the speaker of the senate, the chairs of the finance, ways and means committees, the state treasurer, the state comptroller, the office of legislative budget analysis, and the secretary of state) the most recent quarterly report regarding the status of the appropriations for the FastTrack fund T.C.A. § 4-3-716(h)? Yes No

Identify which of the following apply:

5. a. Does the business export more than half of their products or services outside of Tennessee T.C.A. § 4-3-717(h)(1)(A)?
- b. Do more than half of the business' products or services enter into the production of exported products T.C.A. § 4-3-717(h)(1)(B)?
- c. Does the use of business' products primarily result in import substitution on the replacement of imported products or services with those produced in the state T.C.A. § 4-3-717(h)(1)(C)?
- d. Has the commissioner of economic and community development determined the business has other types of economic activity that contributes significantly to community development education and has a beneficial impact on the economy of the state T.C.A. § 4-3-717(h)(1)(D)? If "yes," attach the commissioner's rationale.

Applicant must answer "Yes" to a or b.

6. a. Is there a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs and investment T.C.A. § 4-3-717(a)? If "yes," attach documentation.
- b. Has the commissioner of economic and community development determined that this investment will have a direct impact on employment and investment opportunities in the future T.C.A. § 4-3-717(a)? If "yes," attach the commissioner's rationale.

TRAINING

- 7. Will the grant support the training of new employees for locating or expanding industries T.C.A. § 4-3-717(c)(1)?
- 8. Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes T.C.A. § 4-3-717(c)(2)? Yes No

INFRASTRUCTURE

- 9. Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? T.C.A. § 4-3-717(b)(2-3)? Yes No
- 10. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)? Yes No
- 11. In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates T.C.A. § 4-3-717(f)? Yes No

Applicant must answer "Yes" to a or b.

- 12. a. Will the grant or loan address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry T.C.A. § 4-3-717(h)(2)?
- b. Has the commissioner of economic and community development determined the funds make significant technological improvements such as digital switches or fiber optic cabling that would have a beneficial impact on the economy of this state T.C.A. § 4-3-717(h)(2)? If "yes," attach the commissioner's rationale.

ECONOMIC DEVELOPMENT

- 13. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)? Yes No
- 14. Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds T.C.A. § 4-3-717(d)(1)? Yes No
- 15. Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business T.C.A. § 4-3-717(d)(1)? Yes No
- 16. Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community T.C.A. § 4-3-717(d)(1)? If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact. Yes No
- 17. The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used T.C.A. § 4-3-717(d)(2). Attach documentation. Yes No

I have reviewed this document and believe it to be correct.



Commissioner of Economic and Community Development

3-17-24
Date



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

March 1, 2024

INCENTIVE ACCEPTANCE FORM

This form serves as notice that Schneider Electric USA, Inc intends, in good faith, to create 355 private sector jobs in Mt. Juliet, Wilson County and make a capital investment of \$82,000,000 in exchange for incentives that will be memorialized in a grant agreement between Schneider Electric USA, Inc and the State of Tennessee. New jobs must be in addition to the company's baseline of 0 jobs at the project site in Tennessee.

ECD OFFER SUMMARY

FastTrack Economic Development Grant:	\$ 3,000,000
Total ECD Commitment:	\$ 3,000,000

Please sign your name in the space below to signify Schneider Electric USA, Inc's acceptance of ECD's offer set forth above and return it by May 30, 2024 to:

Tennessee Department of Economic and Community Development
Attn: Sydney Forrest
312 Rosa Parks Avenue, 27th Floor
Nashville, TN 37243
Sydney.Forrest@tn.gov

Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form. The incentives described in this letter are based upon the representations made by the Company to ECD regarding the project. ECD reserves the right to revise the incentives described in this Incentive Acceptance Form if any aspect of the project changes after receipt of this form. Changes that could result in revision of incentives include, but are not limited to, number of jobs, amount of capital investment, composition of company vs. contract jobs, average wage, or location of the project. ECD reserves the right to recover funds for this project if grant contracts are not executed within one year of the date of signature below.

Signature:
(Authorized Representative of Company)

Date: 3/1/24



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

March 25, 2024

Comptroller Jason Mumpower
First Floor, State Capitol
Nashville, TN 37243

Dear Comptroller Mumpower:

Pursuant to Tennessee Code Annotated §4-3-717 (d)(1)-(2), I am writing to inform you that the Department of Economic and Community Development is awarding a FastTrack Economic Development Grant to the Industrial Development Board of Wilson County for the benefit of Schneider Electric USA, Inc. in the amount of \$3,000,000 to offset the costs Schneider Electric USA, Inc. will incur in building retrofit, building expansion, building improvements, and fixture improvements. The project activities would not be eligible for the FastTrack Infrastructure Development Program.

This project will yield a proportionately significant impact on this community due to the number of net new, high wage jobs and capital investment. Schneider Electric USA, Inc. has committed to create 355 net new jobs and make a \$82,000,000 capital investment within five (5) years. The company will have an average hourly wage of \$26.01 for the new positions. This project will have an exceptional impact on this area of the state.

Sincerely,

A handwritten signature in blue ink that reads "Stuart McWhorter".

Stuart McWhorter

SM/js

State Funding Board FastTrack Checklist

FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T.C.A. § 4-3-717(e).

Please identify the type of FastTrack funding requested and the grant or loan amount:

TYPE OF FUNDING	RECIPIENT ENTITY	GRANT AMOUNT	LOAN AMOUNT
INFRASTRUCTURE			
TRAINING*			
ECONOMIC DEVELOPMENT	Industrial Development Board of the City of Bristol, Tennessee	\$900,000	
TOTAL		\$900,000	

(Recipient entity must be a local government, their economic development organization, a political subdivision of the state, or an eligible business beneficiary [for training only].)

*ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity): AYM Inc.

Complete the General Statutory Compliance section below and the section(s) that corresponds with the type of funding indicated above. General Statutory Compliance items apply to all types of funding represented above.

GENERAL STATUTORY COMPLIANCE

1. Will this new commitment cause the FastTrack appropriations to be over-committed T.C.A. § 4-3-716(g)?
If "yes," state funding board concurrence is required. Attach the commissioner's rationale used to determine the amount of actual commitments unlikely to be accepted based on historical program trends (maximum allowed is 130% of the appropriations available for new grants). Yes No
2. Will this new commitment place in jeopardy compliance with the legislative intent that actual expenditures and obligations to be recognized at the end of the fiscal year not exceed available reserves and appropriations of the programs T.C.A. § 4-3-716(g)? Yes No
3. Does this grant or loan comply with the legislative intent to distribute FastTrack funds in all areas of the state to the extent practicable T.C.A. § 4-3-716(f)? Yes No
4. Has the commissioner of economic and community development provided to the commissioner of finance and administration (with copies transmitted to the speaker of the house of representatives, the speaker of the senate, the chairs of the finance, ways and means committees, the state treasurer, the state comptroller, the office of legislative budget analysis, and the secretary of state) the most recent quarterly report regarding the status of the appropriations for the FastTrack fund T.C.A. § 4-3-716(h)? Yes No

Identify which of the following apply:

5. a. Does the business export more than half of their products or services outside of Tennessee T.C.A. § 4-3-717(h)(1)(A)?
- b. Do more than half of the business' products or services enter into the production of exported products T.C.A. § 4-3-717(h)(1)(B)?
- c. Does the use of business' products primarily result in import substitution on the replacement of imported products or services with those produced in the state T.C.A. § 4-3-717(h)(1)(C)?
- d. Has the commissioner of economic and community development determined the business has other types of economic activity that contributes significantly to community development education and has a beneficial impact on the economy of the state T.C.A. § 4-3-717(h)(1)(D)? If "yes," attach the commissioner's rationale.

Applicant must answer "Yes" to a or b.

6. a. Is there a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs and investment T.C.A. § 4-3-717(a)? If "yes," attach documentation.
- b. Has the commissioner of economic and community development determined that this investment will have a direct impact on employment and investment opportunities in the future T.C.A. § 4-3-717(a)? If "yes," attach the commissioner's rationale.

TRAINING

- 7. Will the grant support the training of new employees for locating or expanding industries T.C.A. § 4-3-717(c)(1)? Yes No
- 8. Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes T.C.A. § 4-3-717(c)(2)? Yes No

INFRASTRUCTURE

- 9. Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? T.C.A. § 4-3-717(b)(2-3)? Yes No
- 10. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)? Yes No
- 11. In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates T.C.A. § 4-3-717(f)? Yes No

Applicant must answer "Yes" to a or b.

- 12. a. Will the grant or loan address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry T.C.A. § 4-3-717(h)(2)?
- b. Has the commissioner of economic and community development determined the funds make significant technological improvements such as digital switches or fiber optic cabling that would have a beneficial impact on the economy of this state T.C.A. § 4-3-717(h)(2)? If "yes," attach the commissioner's rationale.

ECONOMIC DEVELOPMENT

- 13. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)? Yes No
- 14. Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds T.C.A. § 4-3-717(d)(1)? Yes No
- 15. Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business T.C.A. § 4-3-717(d)(1)? Yes No
- 16. Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community T.C.A. § 4-3-717(d)(1)? If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact. Yes No
- 17. The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used T.C.A. § 4-3-717(d)(2). Attach documentation. Yes No

I have reviewed this document and believe it to be correct.



Commissioner of Economic and Community Development

3-17-24
Date



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

December 15, 2023

INCENTIVE ACCEPTANCE FORM

This form serves as notice that AYM Inc. intends, in good faith, to create 96 private sector jobs in Bristol, Sullivan County and make a capital investment of \$53,533,000 in exchange for incentives that will be memorialized in a grant agreement between AYM Inc. and the State of Tennessee. New jobs must be in addition to the company's baseline of 267 jobs at the project site in Tennessee.

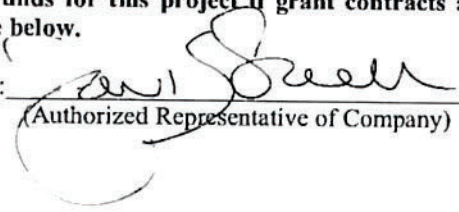
ECD OFFER SUMMARY

FastTrack Economic Development Grant:	\$ 900,000
Total ECD Commitment:	\$ 900,000

Please sign your name in the space below to signify AYM Inc.'s acceptance of ECD's offer set forth above and return it by March 14, 2024 to:

Tennessee Department of Economic and Community Development
Attn: Allyson Crystal
312 Rosa Parks Avenue, 27th Floor
Nashville, TN 37243
Allyson.Crystal@tn.gov

Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form. The incentives described in this letter are based upon the representations made by the Company to ECD regarding the project. ECD reserves the right to revise the incentives described in this Incentive Acceptance Form if any aspect of the project changes after receipt of this form. Changes that could result in revision of incentives include, but are not limited to, number of jobs, amount of capital investment, composition of company vs. contract jobs, average wage, or location of the project. ECD reserves the right to recover funds for this project if grant contracts are not executed within one year of the date of signature below.

Signature: 
(Authorized Representative of Company)

Date: 3/6/24



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

March 25, 2024

Comptroller Jason Mumpower
First Floor, State Capitol
Nashville, TN 37243

Dear Comptroller Mumpower:

Pursuant to Tennessee Code Annotated §4-3-717 (d)(1)-(2), I am writing to inform you that the Department of Economic and Community Development is awarding a FastTrack Economic Development Grant to the Industrial Development Board of the City of Bristol, Tennessee for the benefit of AYM Inc. in the amount of \$900,000 to offset the costs AYM Inc. will incur in new building construction. The project activities would not be eligible for the FastTrack Infrastructure Development Program.

This project will yield a proportionately significant impact on this community due to the number of net new jobs and capital investment. AYM Inc. has committed to create 96 net new jobs and make a \$53,533,000 capital investment within five (5) years. The company will have an average hourly wage of \$19.62 for the new positions.

This project will have an exceptional impact on this area of the state.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stuart McWhorter", is written over a light blue circular stamp.

Stuart McWhorter

SM/js

State Funding Board FastTrack Checklist

FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T.C.A. § 4-3-717(e).

Please identify the type of FastTrack funding requested and the grant or loan amount:

TYPE OF FUNDING	RECIPIENT ENTITY	GRANT AMOUNT	LOAN AMOUNT
INFRASTRUCTURE			
TRAINING*	Shoals Technologies Group, LLC.	\$2,499,887	
ECONOMIC DEVELOPMENT			
TOTAL		\$2,499,887	

(Recipient entity must be a local government, their economic development organization, a political subdivision of the state, or an eligible business beneficiary [for training only].)

*ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity): Shoals Technologies Group, LLC.

Complete the General Statutory Compliance section below and the section(s) that corresponds with the type of funding indicated above. General Statutory Compliance items apply to all types of funding represented above.

GENERAL STATUTORY COMPLIANCE

1. Will this new commitment cause the FastTrack appropriations to be over-committed T.C.A. § 4-3-716(g)?
If "yes," state funding board concurrence is required. Attach the commissioner's rationale used to determine the amount of actual commitments unlikely to be accepted based on historical program trends (maximum allowed is 130% of the appropriations available for new grants). Yes No
2. Will this new commitment place in jeopardy compliance with the legislative intent that actual expenditures and obligations to be recognized at the end of the fiscal year not exceed available reserves and appropriations of the programs T.C.A. § 4-3-716(g)? Yes No
3. Does this grant or loan comply with the legislative intent to distribute FastTrack funds in all areas of the state to the extent practicable T.C.A. § 4-3-716(f)? Yes No
4. Has the commissioner of economic and community development provided to the commissioner of finance and administration (with copies transmitted to the speaker of the house of representatives, the speaker of the senate, the chairs of the finance, ways and means committees, the state treasurer, the state comptroller, the office of legislative budget analysis, and the secretary of state) the most recent quarterly report regarding the status of the appropriations for the FastTrack fund T.C.A. § 4-3-716(h)? Yes No

Identify which of the following apply:

5. a. Does the business export more than half of their products or services outside of Tennessee T.C.A. § 4-3-717(h)(1)(A)?
- b. Do more than half of the business' products or services enter into the production of exported products T.C.A. § 4-3-717(h)(1)(B)?
- c. Does the use of business' products primarily result in import substitution on the replacement of imported products or services with those produced in the state T.C.A. § 4-3-717(h)(1)(C)?
- d. Has the commissioner of economic and community development determined the business has other types of economic activity that contributes significantly to community development education and has a beneficial impact on the economy of the state T.C.A. § 4-3-717(h)(1)(D)? If "yes," attach the commissioner's rationale.

Applicant must answer "Yes" to a or b.

6. a. Is there a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs and investment T.C.A. § 4-3-717(a)? If "yes," attach documentation.
- b. Has the commissioner of economic and community development determined that this investment will have a direct impact on employment and investment opportunities in the future T.C.A. § 4-3-717(a)? If "yes," attach the commissioner's rationale.

TRAINING

- 7. Will the grant support the training of new employees for locating or expanding industries T.C.A. § 4-3-717(c)(1)? Yes No
- 8. Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes T.C.A. § 4-3-717(c)(2)? Yes No

INFRASTRUCTURE

- 9. Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? T.C.A. § 4-3-717(b)(2-3)? Yes No
- 10. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)? Yes No
- 11. In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates T.C.A. § 4-3-717(f)? Yes No

Applicant must answer "Yes" to a or b.

- 12. a. Will the grant or loan address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry T.C.A. § 4-3-717(h)(2)?
- b. Has the commissioner of economic and community development determined the funds make significant technological improvements such as digital switches or fiber optic cabling that would have a beneficial impact on the economy of this state T.C.A. § 4-3-717(h)(2)? If "yes," attach the commissioner's rationale.

ECONOMIC DEVELOPMENT

- 13. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)? Yes No
- 14. Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds T.C.A. § 4-3-717(d)(1)? Yes No
- 15. Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business T.C.A. § 4-3-717(d)(1)? Yes No
- 16. Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community T.C.A. § 4-3-717(d)(1)? If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact. Yes No
- 17. The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used T.C.A. § 4-3-717(d)(2). Attach documentation. Yes No

I have reviewed this document and believe it to be correct.



Commissioner of Economic and Community Development

3-17-24

Date



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

December 21, 2023

INCENTIVE ACCEPTANCE FORM

This form serves as notice that Shoals Technologies Group, LLC, intends, in good faith, to create 551 private sector jobs in Portland, Sumner County and make a capital investment of \$80,010,880 in exchange for incentives that will be memorialized in a grant agreement between Shoals Technologies Group, LLC, and the State of Tennessee. New jobs must be in addition to the company's baseline of 790 jobs at the project site in Tennessee.

ECD OFFER SUMMARY

FastTrack Job Training Grant:	\$ 2,499,887
Total ECD Commitment:	\$ 2,499,887

Please sign your name in the space below to signify Shoals Technologies Group, LLC.'s acceptance of ECD's offer set forth above and return it March 20, 2024 to:

Tennessee Department of Economic and Community Development
Attn: Allyson Crystal
312 Rosa Parks Avenue, 27th Floor
Nashville, TN 37243
Allyson.Crystal@tn.gov

Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form. The incentives described in this letter are based upon the representations made by the Company to ECD regarding the project. ECD reserves the right to revise the incentives described in this Incentive Acceptance Form if any aspect of the project changes after receipt of this form. Changes that could result in revision of incentives include, but are not limited to, number of jobs, amount of capital investment, composition of company vs. contract jobs, average wage, or location of the project. ECD reserves the right to recover funds for this project if grant contracts are not executed within one year of the date of signature below.

Signature: 
Brandon Moss (Dec 22, 2023 09:33 EST)
(Authorized Representative of Company)

Date: Dec 22, 2023

State Funding Board FastTrack Checklist

FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T.C.A. § 4-3-717(e).

Please identify the type of FastTrack funding requested and the grant or loan amount:

TYPE OF FUNDING	RECIPIENT ENTITY	GRANT AMOUNT	LOAN AMOUNT
INFRASTRUCTURE			
TRAINING*	A.O. Smith Corporation	\$520,000	
ECONOMIC DEVELOPMENT			
TOTAL		\$520,000	

(Recipient entity must be a local government, their economic development organization, a political subdivision of the state, or an eligible business beneficiary [for training only].)

*ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity): A.O. Smith Corporation

Complete the General Statutory Compliance section below and the section(s) that corresponds with the type of funding indicated above. General Statutory Compliance items apply to all types of funding represented above.

GENERAL STATUTORY COMPLIANCE

1. Will this new commitment cause the FastTrack appropriations to be over-committed T.C.A. § 4-3-716(g)?
If "yes," state funding board concurrence is required. Attach the commissioner's rationale used to determine the amount of actual commitments unlikely to be accepted based on historical program trends (maximum allowed is 130% of the appropriations available for new grants). Yes No
2. Will this new commitment place in jeopardy compliance with the legislative intent that actual expenditures and obligations to be recognized at the end of the fiscal year not exceed available reserves and appropriations of the programs T.C.A. § 4-3-716(g)? Yes No
3. Does this grant or loan comply with the legislative intent to distribute FastTrack funds in all areas of the state to the extent practicable T.C.A. § 4-3-716(f)? Yes No
4. Has the commissioner of economic and community development provided to the commissioner of finance and administration (with copies transmitted to the speaker of the house of representatives, the speaker of the senate, the chairs of the finance, ways and means committees, the state treasurer, the state comptroller, the office of legislative budget analysis, and the secretary of state) the most recent quarterly report regarding the status of the appropriations for the FastTrack fund T.C.A. § 4-3-716(h)? Yes No

Identify which of the following apply:

5. a. Does the business export more than half of their products or services outside of Tennessee T.C.A. § 4-3-717(h)(1)(A)?
- b. Do more than half of the business' products or services enter into the production of exported products T.C.A. § 4-3-717(h)(1)(B)?
- c. Does the use of business' products primarily result in import substitution on the replacement of imported products or services with those produced in the state T.C.A. § 4-3-717(h)(1)(C)?
- d. Has the commissioner of economic and community development determined the business has other types of economic activity that contributes significantly to community development education and has a beneficial impact on the economy of the state T.C.A. § 4-3-717(h)(1)(D)? If "yes," attach the commissioner's rationale.

Applicant must answer "Yes" to a or b.

6. a. Is there a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs and investment T.C.A. § 4-3-717(a)? If "yes," attach documentation.
- b. Has the commissioner of economic and community development determined that this investment will have a direct impact on employment and investment opportunities in the future T.C.A. § 4-3-717(a)? If "yes," attach the commissioner's rationale.

TRAINING

- 7. Will the grant support the training of new employees for locating or expanding industries *T.C.A. § 4-3-717(c)(1)*? Yes No
- 8. Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes *T.C.A. § 4-3-717(c)(2)*? Yes No

INFRASTRUCTURE

- 9. Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? *T.C.A. § 4-3-717(b)(2-3)*? Yes No
- 10. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state *T.C.A. § 4-3-717(d)(1)*? Yes No
- 11. In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates *T.C.A. § 4-3-717(f)*? Yes No

Applicant must answer "Yes" to a or b.

- 12. a. Will the grant or loan address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry *T.C.A. § 4-3-717(h)(2)*?
- b. Has the commissioner of economic and community development determined the funds make significant technological improvements such as digital switches or fiber optic cabling that would have a beneficial impact on the economy of this state *T.C.A. § 4-3-717(h)(2)*? If "yes," attach the commissioner's rationale.

ECONOMIC DEVELOPMENT

- 13. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state *T.C.A. § 4-3-717(d)(1)*? Yes No
- 14. Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds *T.C.A. § 4-3-717(d)(1)*? Yes No
- 15. Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business *T.C.A. § 4-3-717(d)(1)*? Yes No
- 16. Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community *T.C.A. § 4-3-717(d)(1)*? If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact. Yes No
- 17. The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used *T.C.A. § 4-3-717(d)(2)*. Attach documentation. Yes No

I have reviewed this document and believe it to be correct.



Commissioner of Economic and Community Development

3-17-24

Date



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

August 10, 2023

INCENTIVE ACCEPTANCE FORM

This form serves as notice that A.O. Smith Corporation intends, in good faith, to create 130 private sector jobs in Ashland City, Cheatham County and make a capital investment of \$42,786,500 in exchange for incentives that will be memorialized in a grant agreement between A.O. Smith Corporation and the State of Tennessee. New jobs must be in addition to the company's baseline of 1,441 jobs at the project site in Tennessee.

ECD OFFER SUMMARY

FastTrack Job Training Grant:	\$ 520,000
Total ECD Commitment:	\$ 520,000

Please sign your name in the space below to signify A.O. Smith Corporation's acceptance of ECD's offer set forth above and return it by November 8, 2023 to:

Tennessee Department of Economic and Community Development
Attn: Allyson Crystal
312 Rosa Parks Avenue, 27th Floor
Nashville, TN 37243
Allyson.Crystal@tn.gov

Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form. The incentives described in this letter are based upon the representations made by the Company to ECD regarding the project. ECD reserves the right to revise the incentives described in this Incentive Acceptance Form if any aspect of the project changes after receipt of this form. Changes that could result in revision of incentives include, but are not limited to, number of jobs, amount of capital investment, composition of company vs. contract jobs, average wage, or location of the project. ECD reserves the right to recover funds for this project if grant contracts are not executed within one year of the date of signature below.

Signature: Muriel Blake
(Authorized Representative of Company)

Date: 12-6-2023

State Funding Board FastTrack Checklist

FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T.C.A. § 4-3-717(e).

Please identify the type of FastTrack funding requested and the grant or loan amount:

TYPE OF FUNDING	RECIPIENT ENTITY	GRANT AMOUNT	LOAN AMOUNT
INFRASTRUCTURE			
TRAINING*	Nokian Tyres U.S. Operations LLC	\$1,625,000	
ECONOMIC DEVELOPMENT			
TOTAL		\$1,625,000	

(Recipient entity must be a local government, their economic development organization, a political subdivision of the state, or an eligible business beneficiary [for training only].)

*ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity): Nokian Tyres U.S. Operations LLC

Complete the General Statutory Compliance section below and the section(s) that corresponds with the type of funding indicated above. General Statutory Compliance items apply to all types of funding represented above.

GENERAL STATUTORY COMPLIANCE

1. Will this new commitment cause the FastTrack appropriations to be over-committed T.C.A. § 4-3-716(g)?
If "yes," state funding board concurrence is required. Attach the commissioner's rationale used to determine the amount of actual commitments unlikely to be accepted based on historical program trends (maximum allowed is 130% of the appropriations available for new grants). Yes No

2. Will this new commitment place in jeopardy compliance with the legislative intent that actual expenditures and obligations to be recognized at the end of the fiscal year not exceed available reserves and appropriations of the programs T.C.A. § 4-3-716(g)? Yes No

3. Does this grant or loan comply with the legislative intent to distribute FastTrack funds in all areas of the state to the extent practicable T.C.A. § 4-3-716(f)? Yes No

4. Has the commissioner of economic and community development provided to the commissioner of finance and administration (with copies transmitted to the speaker of the house of representatives, the speaker of the senate, the chairs of the finance, ways and means committees, the state treasurer, the state comptroller, the office of legislative budget analysis, and the secretary of state) the most recent quarterly report regarding the status of the appropriations for the FastTrack fund T.C.A. § 4-3-716(h)? Yes No

Identify which of the following apply:

5. a. Does the business export more than half of their products or services outside of Tennessee T.C.A. § 4-3-717(h)(1)(A)?

- b. Do more than half of the business' products or services enter into the production of exported products T.C.A. § 4-3-717(h)(1)(B)?

- c. Does the use of business' products primarily result in import substitution on the replacement of imported products or services with those produced in the state T.C.A. § 4-3-717(h)(1)(C)?

- d. Has the commissioner of economic and community development determined the business has other types of economic activity that contributes significantly to community development education and has a beneficial impact on the economy of the state T.C.A. § 4-3-717(h)(1)(D)? If "yes," attach the commissioner's rationale.

Applicant must answer "Yes" to a or b.

6. a. Is there a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs and investment T.C.A. § 4-3-717(a)? If "yes," attach documentation.

- b. Has the commissioner of economic and community development determined that this investment will have a direct impact on employment and investment opportunities in the future T.C.A. § 4-3-717(a)? If "yes," attach the commissioner's rationale.

TRAINING

- 7. Will the grant support the training of new employees for locating or expanding industries T.C.A. § 4-3-717(c)(1)? Yes No
- 8. Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes T.C.A. § 4-3-717(c)(2)? Yes No

INFRASTRUCTURE

- 9. Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? T.C.A. § 4-3-717(b)(2-3)? Yes No
- 10. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)? Yes No
- 11. In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates T.C.A. § 4-3-717(f)? Yes No

Applicant must answer "Yes" to a or b.

- 12. a. Will the grant or loan address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry T.C.A. § 4-3-717(h)(2)?
- b. Has the commissioner of economic and community development determined the funds make significant technological improvements such as digital switches or fiber optic cabling that would have a beneficial impact on the economy of this state T.C.A. § 4-3-717(h)(2)? If "yes," attach the commissioner's rationale.

ECONOMIC DEVELOPMENT

- 13. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)? Yes No
- 14. Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds T.C.A. § 4-3-717(d)(1)? Yes No
- 15. Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business T.C.A. § 4-3-717(d)(1)? Yes No
- 16. Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community T.C.A. § 4-3-717(d)(1)? If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact. Yes No
- 17. The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used T.C.A. § 4-3-717(d)(2). Attach documentation. Yes No

I have reviewed this document and believe it to be correct.


Commissioner of Economic and Community Development

3-17-24
Date



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

December 28, 2023

INCENTIVE ACCEPTANCE FORM

This form serves as notice that Nokian Tyres U.S. Operations LLC intends, in good faith, to create 175 private sector jobs in Dayton, Rhea County and make a capital investment of \$174,142,680 in exchange for incentives that will be memorialized in a grant agreement between Nokian Tyres U.S. Operations LLC and the State of Tennessee. New jobs must be in addition to the company's baseline of 325 jobs at the project site in Tennessee.

ECD OFFER SUMMARY

FastTrack Job Training Grant:	\$ 1,625,000
Total ECD Commitment:	\$ 1,625,000

Please sign your name in the space below to signify Nokian Tyres U.S. Operations LLC's acceptance of ECD's offer set forth above and return it by March 27, 2024 to:

Tennessee Department of Economic and Community Development
Attn: Allyson Crystal
312 Rosa Parks Avenue, 27th Floor
Nashville, TN 37243
Allyson.Crystal@tn.gov

Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form. The incentives described in this letter are based upon the representations made by the Company to ECD regarding the project. ECD reserves the right to revise the incentives described in this Incentive Acceptance Form if any aspect of the project changes after receipt of this form. Changes that could result in revision of incentives include, but are not limited to, number of jobs, amount of capital investment, composition of company vs. contract jobs, average wage, or location of the project. ECD reserves the right to recover funds for this project if grant contracts are not executed within one year of the date of signature below.

Signature: 
(Authorized Representative of Company)

Date: January 9, 2024



JASON E. MUMPOWER
Comptroller

Memorandum

To: Honorable Bill Lee, Governor

Honorable Jason E. Mumpower, Comptroller of the Treasury

Honorable Tre Hargett, Secretary of State

Honorable David H. Lillard, Jr., Treasurer

Honorable Jim Bryson, Commissioner of Finance and Administration

From: William Wood, Financial Analyst, Comptroller of the Treasury

Date: March 25, 2024

Re: Economic Report to the Governor

This memo considers the reasonableness of the economic projections published in the annual *Economic Report to the Governor* (<https://haslam.utk.edu/publication/economic-report-to-the-governor-2024/>) from the Boyd Center for Business and Economic Research (CBER) at the University of Tennessee. In addition, the memo examines consumer spending; the labor market and unemployment rates; and considers the possible economic outcomes of emerging federal policies.

In short, Comptroller's staff analysis finds:

- **CBER's projections for Tennessee nominal personal income do not appear to be unreasonable.** The CBER report predicts that Tennessee nominal personal income will grow by 5.09 percent and 4.98 percent in calendar years 2024 and 2025, respectively. Although few agencies track Tennessee personal income statistics, the state's personal income growth has historically tracked alongside growth in the U.S. Gross Domestic Product (GDP). CBER's projections for U.S. GDP fall within the range of other figures quoted by various other forecasting sources leading staff to conclude that CBER's estimate for Tennessee personal income is similarly reasonable.
- **Job growth in Tennessee has been healthy and the state unemployment rate remains incredibly low.** Nonfarm employment is projected to grow by 1.12 percent

Statutory Authority

Tennessee Code Annotated (TCA) § 9-4-5202 requires the State Funding Board (the Board) to secure estimates of Tennessee’s economic growth from the Tennessee econometric model at least once a year. These estimates are published annually in the *Economic Report to the Governor* by the University of Tennessee’s Boyd Center for Business and Economic Research (CBER). The report includes data on such indicators as nominal personal income, employment, inflation, consumer spending, and the housing market for Tennessee and the United States as a whole.

The statute also requires the Board to comment on the “reasonableness” of CBER’s projections, and provide different estimates, if necessary. As specified in TCA § 9-4-5201, the rate of Tennessee’s economic growth is based on the projected changes in Tennessee nominal personal income.

The Comptroller’s staff assists the Board by evaluating information on current economic conditions and trends provided by commonly referenced sources in economic forecasting.

or 37,700 new jobs in 2025. This projection is higher than the 0.05 percent growth rate forecast for the U.S. CBER forecasts the 2024 unemployment rate to be 3.5 percent and 4.3 percent, for Tennessee and the U.S., respectively. The 2025 unemployment rate is forecast to increase to 3.6 percent and 4.7 percent for Tennessee and the U.S., respectively.

CBER’s updated projections fall within the range of other forecasts

The CBER economic report predicts that Tennessee nominal personal income will grow by 5.09 percent and 4.98 percent in calendar years 2024 and 2025, respectively (Exhibit 1).¹

Exhibit 1: CBER’s Estimated Tennessee Personal Income Growth

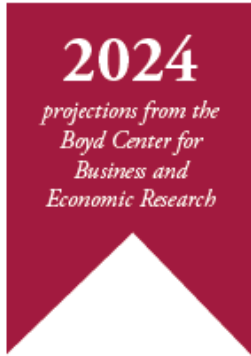
Forecast Year	Calendar Year	Fiscal Year
2023	6.25%	—
2024	5.09%	5.60%
2025	4.98%	5.10%

¹Lawrence M. Kessler et al., *An Economic Report to the Governor of the State of Tennessee: The State’s Economic Outlook January 2024*, Boyd Center for Business and Economic Research, University of Tennessee, January 2024, pp. 12, <http://cber.haslam.utk.edu>.

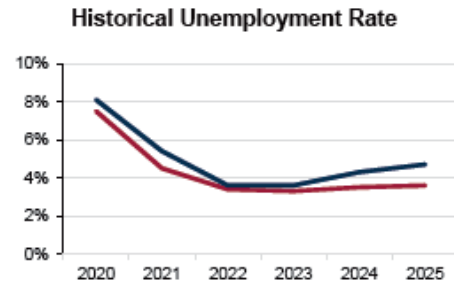
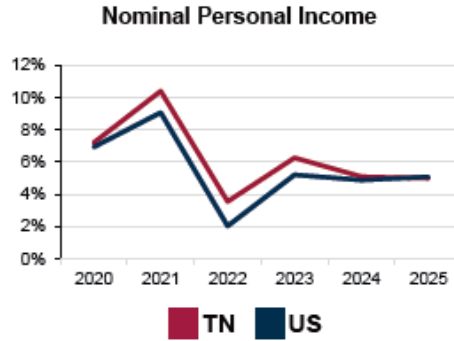


AT A GLANCE

Tennessee's Economic Outlook



2025 Projections



Quick Facts

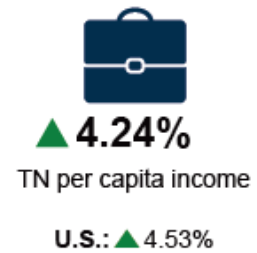
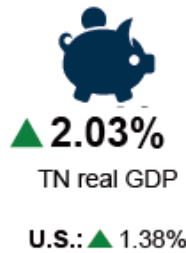
Tennessee recorded **19,304 new business filings** in the third quarter of 2023.

New business filings in the third quarter of 2023 were the highest for a third quarter in the 25-year history of the data being collected.

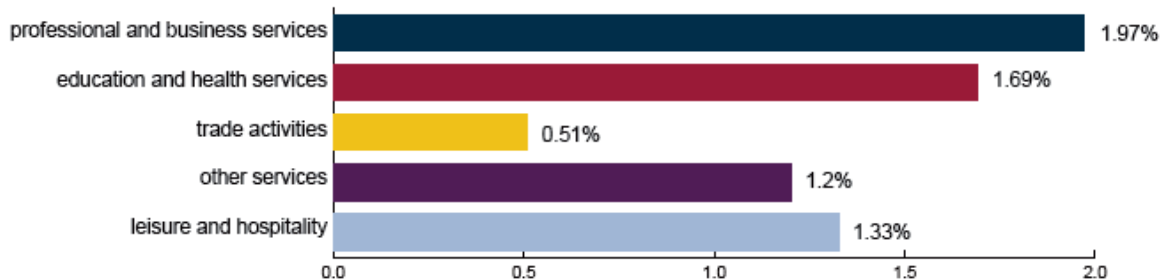
Nonfarm Employment

Nonfarm employment is projected to grow by **1.12%** or **37,700 jobs** in 2025.

This is faster than the **0.05%** forecast for the US.

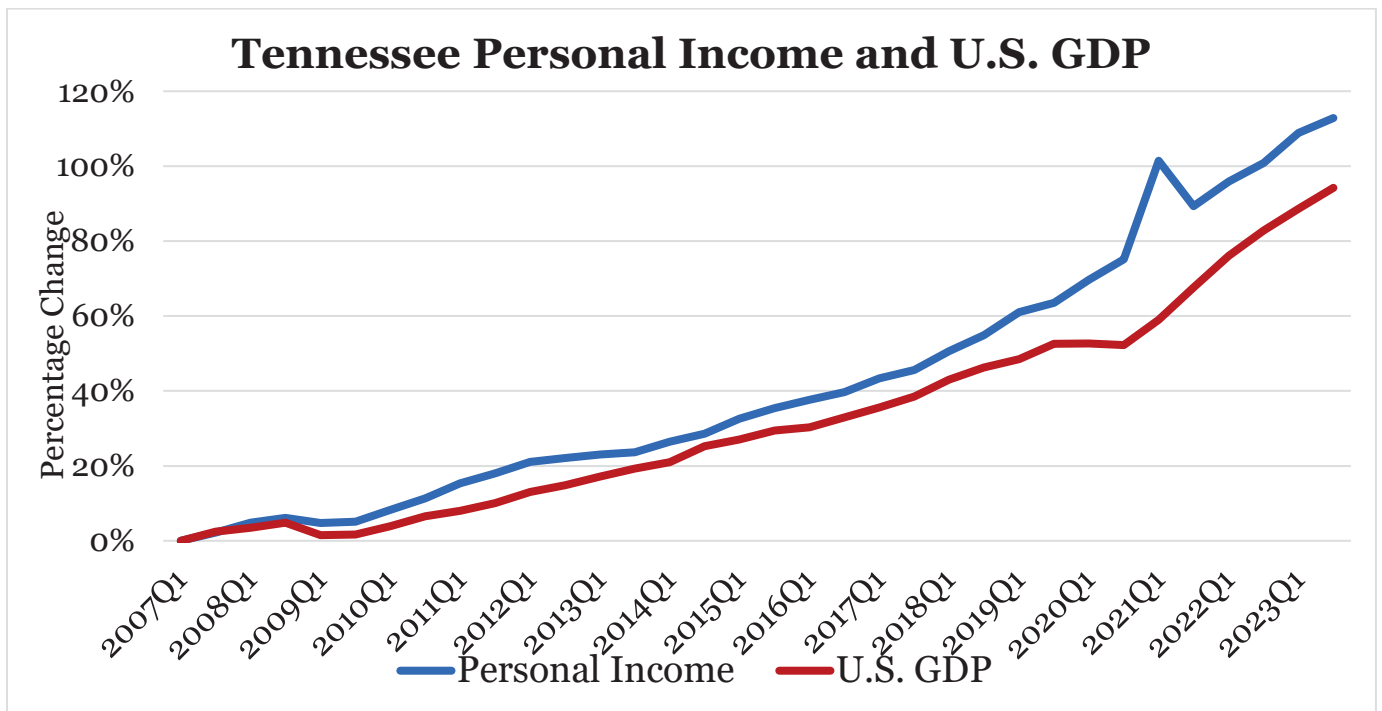


2025 Tennessee Nonfarm Employment by Sector



Few agencies estimate growth in Tennessee personal income, making it difficult to directly compare CBER’s projections with other sources. Tennessee personal income closely tracks growth in the state’s Gross Domestic Product (GDP), and the state GDP figure typically mirrors the national GDP. Consequently, U.S. GDP may be used as a proxy for Tennessee GDP, which, in turn, may stand in for Tennessee personal income – in fact, the two figures often track closely (Exhibit 2). Thus, in the end, staff may compare the many estimates of U.S. GDP growth to CBER’s projections and use the result to judge the reasonableness of CBER’s personal income predictions.

Exhibit 2: Relative Growth of Tennessee Personal Income and U.S. GDP



Source: U.S. Bureau of Economic Analysis, Tennessee Personal Income by Major Component, Gross Domestic Product, February 9, 2024 www.bea.gov.

CBER projects that U.S. GDP will increase 1.4 percent in calendar year 2024. This figure falls within a range of government and non-government forecasts. (Exhibit 3). Because CBER’s estimates for U.S. GDP fall within the range of predictions from other reputable sources, Comptroller’s staff finds that CBER’s projections for Tennessee personal income growth are not unreasonable.

Exhibit 3: Government and Non-Government GDP Forecasts

Forecaster	CY 2024	CY 2025	Date
World Bank	1.6	1.7	January 2024
Fannie Mae	1.1	1.6	January 2024
Scotiabank	1.3	1.6	December 2023
Congressional Budget Office	1.5	2.2	February 2024
Deutsche Bank	0.6	1.9	December 2023
Federal Reserve Bank	1.4	1.8	December 2023
Conference Board	1.2	1.4	January 2024
Wells Fargo	1.7	1.7	January 2024
<i>High</i>	1.7	2.2	
<i>Median</i>	1.4	1.7	
<i>Low</i>	0.6	1.4	
CBER	1.4	1.4	January 2024

Source: World Bank, *Global Economic Prospects, January 2024*, p. 4, <https://www.worldbank.org>; Fannie Mae, “*Economic Forecast: January 2024*,” January 10, 2024, p. 1, <http://www.fanniemae.com>; Scotiabank, “*The Year of the Cut: Scotiabank’s Forecast Tables*,” December 2023, p. 6, <http://www.scotiabank.com>; Congressional Budget Office, “*The Budget and Economic Outlook: 2024 to 2034*,” February, 2024, p. 4, <https://www.cbo.gov>; David Folkerts-Landau et al., *Outlook for 2024 – The Race Against Time*, Deutsche Bank, December, 2023, p. 3, <https://www.dbresearch.com>; Federal Reserve Bank, “*Economic projections of Federal Reserve Board members and Federal Reserve Bank presidents under their individual assumptions of projected appropriate monetary policy*,” December 13, 2023, p. 2, <https://www.federalreserve.gov>; Conference Board, “*Global Economic Outlook*,” January 2024, p. 2, <http://www.conference-board.org>; Wells Fargo, “*U.S. Economic Outlook: January 2024*,” January 12, 2024, p. 6, <https://www.wellsfargo.com>; Lawrence M. Kessler et al., *An Economic Report to the Governor of the State of Tennessee: The State’s Economic Outlook January 2024*, Boyd Center for Business and Economic Research, University of Tennessee, January 2024, p. 110, <http://cber.haslam.utk.edu>.

U.S. Economy

U.S. GDP is one of the broadest measures of economic activity for the national economy and is composed of personal consumption expenditures, investment, government purchases, and the balance of trade. The primary driver of overall economic growth during the year was attributable to increasing consumption, consistent with its status as the largest component of gross domestic product of the U.S. economy². Real GDP experienced growth of 2.9 percent in 2023. This growth rate has pushed the U.S. economy past pre-pandemic forecasts. Overall, the U.S. recovery from the pandemic has outpaced that of other high-income countries. While the growth was certainly welcome, the 2.9 percent was lower than the average GDP growth going back to 1948 of 3.13 percent.

² Lawrence M. Kessler et al., *An Economic Report to the Governor of the State of Tennessee: The State’s Economic Outlook January 2024*, Boyd Center for Business and Economic Research, University of Tennessee, January 2024, pp. 2, <http://cber.haslam.utk.edu>.

Consumer Confidence

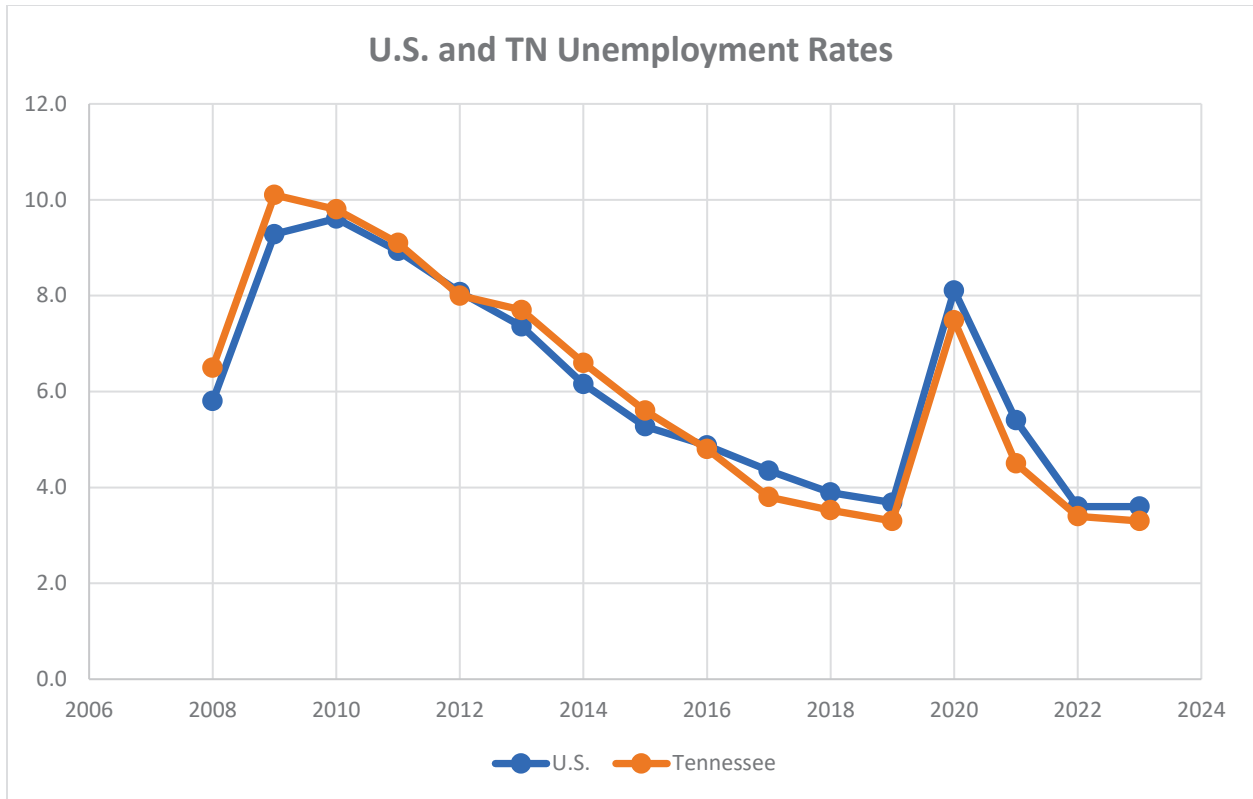
Consumer confidence is an economic indicator that measures the degree of optimism that consumers feel about the overall state of the economy and their personal financial situation. In theory, the more optimistic consumers feel, the more they may be inclined to spend. An upturn in the index can be an indicator of more jobs, higher wages, an increased demand for capital, and possibly higher inflation. A downturn in the index can be an indication of the opposite. Consumer confidence increased in January and marked the third straight month increase. “January’s increase in consumer confidence likely reflected slower inflation, anticipation of lower rates ahead, and generally favorable employment conditions.”³ Data from the University of Michigan’s survey of consumers, compiled by the Federal Reserve Bank of St. Louis, shows consumer confidence increasing 13.7 percent from November to December 2023 but still 9.2 percent below February 2021, prior to the current inflationary episode. Overall, high prices continue to weigh on consumers despite the recent moderation in inflation.

Labor Market

The U.S. Economy experienced a surprisingly strong year in 2023, as economic growth surpassed expectations. Employment levels, as measured by nonfarm workers, experienced growth in 2023, adding 2.9 million jobs year over year. The positive news regarding the growth of jobs is partially offset by the labor force participation rate. The labor force participation rate has been experiencing a small, but noticeable, downward trend since August 2023 falling 0.5 percent. “A steadily shrinking participation rate means that the fraction of the population that is either gainfully employed or actively seeking work is steadily dwindling. This slows the growth of GDP, because fewer people are contributing to the nation’s output of goods and services. As a result, a society with a lower participation rate is also burdened with higher tax rates because the government has a narrower tax base from which to draw.”⁴ While low unemployment and tight labor markets led to rising wages for workers over the last couple of years, many did not experience an increase in purchasing power due to the extremely high inflationary environment. The good news is that real average hourly earnings have recently experienced a small, but positive, growth of 1.4 percent over the same month last year. The bad news is that the economy seems to be slowing with the length of the average workweek shortening. These two factors together show a decrease of 0.1 percent in real average weekly earnings over the same period.

³ Dana Peterson., *US Consumer Confidence Increased in January*. The Conference Board, January 2024, <https://www.conference-board.org>

⁴ Michael Dotsey, *Where is Everybody? The Shrinking Labor Force Participation Rate*, Federal Reserve Bank Philadelphia, 2017, <https://www.philadelphiafed.org/the-economy/macroeconomics/where-is-everybody-the-shrinking-labor-force-participation-rate#:~:text=So%20a%20steadily%20shrinking%20participation,output%20of%20goods%20and%20services.>



Source: Federal Reserve Bank of St. Louis, Civilian Unemployment Rate, February 21, 2024, <https://fred.stlouisfed.org>.

Inflation and Interest Rates

The monetary goals of the Federal Reserve are to foster economic conditions that achieve both stable prices and maximum sustainable employment. Price stability preserves the integrity and purchasing power of the nation’s money. When prices are stable, people can hold money for transactions and other purposes without having to worry that inflation will eat away at the real value of their money. Equally important, stable prices allow people to rely on the dollar as a measure of value when making long-term contracts, engaging in long-term planning, or borrowing or lending for long periods.

The preferred measure by the Federal Reserve of core inflation in the U.S. is the change in the core personal consumption expenditures price index (PCE). The Federal Open Market Committee’s (FOMC) stated objective for core PCE is 2.0 percent. Total PCE price inflation was 3.0 percent over the 12 months ending in October, and core PCE price inflation, which excludes changes in consumer energy and many food prices, was 3.5 percent over the same period.⁵ Another commonly used method of measuring inflation is the Consumer Price Index (CPI). The Bureau of Labor Statistics (BLS) tracks the CPI, and on February 14, 2024 reported that

⁵ Federal Open Market Committee, *Minutes from Meetings December 12-13, 2023*, pp. 3. <https://www.federalreserve.gov>.

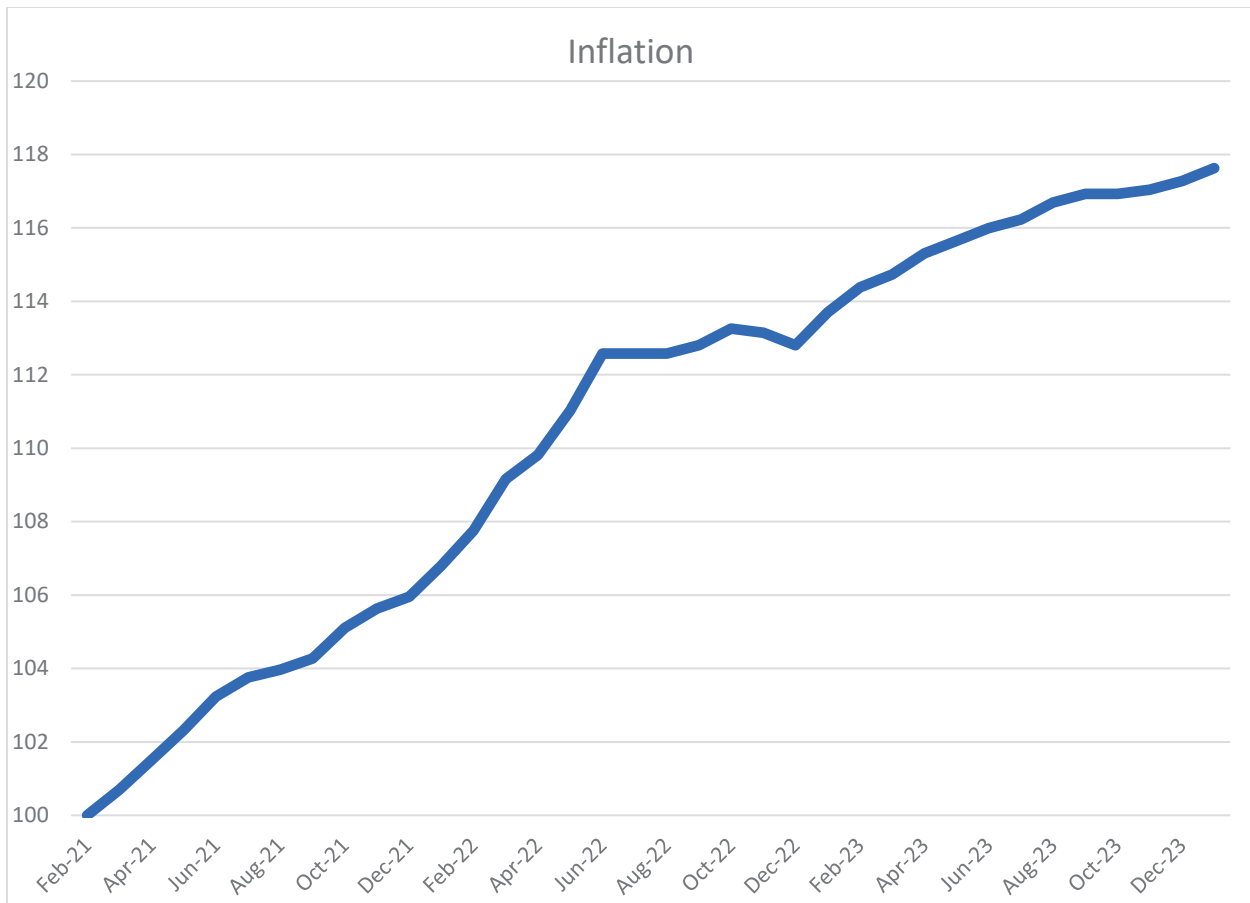
increases in the indexes for food and shelter were the largest contributors to the higher than expected data. The “all items” index rose 3.1 percent for the 12 months ending January 2024.⁶ The CPI has increased 17.28 percent since February 2021.

The extraordinary inflation is also taking a toll on workers’ pay. The Labor department reported that average hourly earnings for all employees increased 1.4 percent from the same month a year ago when factoring in the impact of rising consumer prices. As noted before, however, as the economy slows, the average length of the workweek shortens. When these factors are accounted for, there is a -0.1 percent decrease in real average weekly earnings. By that measure, the typical U.S. worker is worse off today than they were a year ago. FOMC participants are beginning to see signs of slowing wage growth.

Participants assessed that while the labor market remained tight, it continued to come into better balance. Many noted that nominal wage growth had continued to slow broadly, and that business contacts expected further reduction in wage growth.⁷

⁶ Bureau of Labor Statistics, Consumer Price Index – January 2023

⁷ Federal Open Market Committee, *Minutes from Meetings December 12-13, 2023*, pp.7.
<https://www.federalreserve.gov>.



When inflation is high, central banks increase interest rates to restrict economic growth and the continuous demand for funds. For investors, inflation is an extremely useful measure since it can be used as a leading indicator to speculate on the future direction of interest rates. Typically, interest rates have a negative correlation with market returns.

Fed funds futures are used by banks and fixed-income portfolio managers to hedge against fluctuations in the short-term interest rate market. They are also a common tool traders use to take a speculative position on future FOMC monetary policy. The Chicago Mercantile Exchange (CME) has created a tool that uses fed funds futures contracts to determine the probability of the FOMC changing monetary policy at a particular meeting. As of February 28, 2023, the CME group calculates a 97.5 percent chance of no rate changes, and a 2.5 percent chance of a decrease of 25 basis points at the FOMC's next meeting.

The consumer appears to be propping up the economy. Although, increased spending comes, at least partially, from higher debt. One of the results from the Federal Reserve's rate hikes is the higher interest rate consumers pay on their credit card debt. The typical rate on credit cards has leaped from about 14.5 percent to 21.5 percent, according to FED data. This, accompanied with the dramatic increase in the cost of living, has caused credit card debt to spike. Credit card balances have increased by 4.6 percent to \$1.13 trillion over the last year. Some of the \$1.13 trillion consists of necessary expenses that consumers have a difficult time cutting and have risen at a faster rate than overall inflation. Some examples include gasoline which has increased 33.1 percent, groceries 21.0 percent, and housing 19.6 percent. These expenditures have been absorbed by putting these, and other, expenditures on credit cards. Higher balances and higher

rates will naturally lead to higher delinquencies. The New York Federal Reserve reported that credit card delinquencies surged more than 50 percent in 2023 as total consumer debt swelled to \$17.5 trillion.⁸

Yield-Curve

An uncommon dynamic known as an inverted yield curve persists in the U.S. Bond Market. This reflects an environment where yields on shorter-term U.S. Treasury securities exceed the yields on longer-term bonds. Researchers at the New York Federal Reserve have found that an inverted yield curve has historically been a good recession predictor going back to the 1950s. Their model uses the slope of the yield curve to calculate the probability of a recession in the United States twelve months ahead. The New York Fed uses the difference between the 3-month and 10-year treasury rates. The model suggests that there is a 61.5 percent chance of recession by January 2025.⁹ The yield curve has been inverted since July 2022.

National Debt

When the government spends more than it takes in, it borrows to make up the difference. The debt can be seen as the accumulated sum of previous years' deficits. At \$34 trillion and rising, federal borrowing has surpassed the current debt limit of \$31.38 trillion, though a debt ceiling deal was passed in June 2023 that suspends the borrowing limit until 2025. Debt held by the public rises each year in relation to the size of the economy and is projected to reach 116 percent of GDP in 2034, an amount greater than at any point in the nation's history. From 2024 to 2034, increases in mandatory spending and interest rate costs are likely to outpace declines in discretionary spending and growth in revenues and the economy, driving up debt. If that trend persists, pushing federal debt to 172 percent of GDP in 2054.¹⁰ Servicing this debt is one of the federal government's biggest expenses. Interest payments on the debt totaled \$659 billion in 2023, or 10.8 percent of all federal outlays, according to the Congressional Budget Office. That's projected to rise to \$1.6 trillion by 2034. To put that in perspective, the Fiscal Year 2023 National Defense Authorization Act appropriated \$857.9 billion for national defense. So the interest on the debt is only \$200 billion less per year than the country's national defense.

Conclusion

As Tennessee is preparing to debate the FY 25 budget, it is worth remembering how far Tennessee has come in three to four years. The economy was in freefall with the lockdown recession causing millions to lose their livelihoods, and Tennessee was preparing to utilize the Rainy Day Fund for the first time since the Great Recession. Fortunately, utilizing the Rainy Day Fund was not necessary. With Tennessee's revenue returning to a more normal growth rate, Tennessee should continue its conservative fiscal approach of very low debt, excellent pension funding, low taxes, and continued preparation for what might happen by appropriating additional funds to the Rainy Day Fund.

⁸ Jeff Cox, *Credit Card Delinquencies Surged in 2023, Indicating Financial Stress*, February 6, 2024, CNBC, www.cnbc.com

⁹ Federal Reserve Bank of New York, *The Yield Curve as a Leading Indicator*, February 4, 2024, https://www.newyorkfed.org/research/capital_markets/ycfaq.html

¹⁰ Congressional Budget Office, *The Budget and Economic Outlook: 2024 to 2034*, February, 2024. www.cbo.gov

In consideration of the information provided here, CBER's projections for Tennessee nominal personal income growth of 5.09 percent and 4.98 percent for calendar years 2024 and 2025, respectively do not appear to be unreasonable.

STATE OF TENNESSEE

Office of the Attorney General



JONATHAN SKRMETTI
ATTORNEY GENERAL AND REPORTER

P.O. BOX 20207, NASHVILLE, TN 37202
TELEPHONE (615)741-3491
FACSIMILE (615)741-2009

March 25, 2024

State Funding Board
c/o Sandra Thompson
Assistant Secretary
Division of State Government Finance
Tennessee Comptroller of the Treasury
Cordell Hull Building
425 Rep. John Lewis Way, N.
Nashville, TN 37243-3400

RE: List Identifying State Tax and Non-Tax Revenue Sources

Gentlemen:

The attached list identifying State tax and non-tax revenue sources existing as of March 25, 2024, is approved pursuant to the provisions of Tenn. Code Ann. § 9-4-5202.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jonathan Skrmetti".

JONATHAN SKRMETTI
Attorney General and Reporter

Encl.

March 25, 2024

The list below identifies tax and non-tax revenue sources existing as of March 25, 2024, and is approved by the Attorney General and Reporter pursuant to the provisions of Tenn. Code Ann. § 9-4-5202:

Tax Revenue Sources

1. Sales and Use Tax
2. Gasoline Tax
3. Diesel Tax
4. Special Privilege Tax on Petroleum Products
5. Export Tax on Petroleum Products
6. Environmental Assurance Fee
7. Highway User Fuel Tax
8. Alternative Fuels Tax (Liquefied Gas Tax & Compressed Natural Gas Tax)
9. Recordation Tax
10. Privilege Taxes
11. Litigation Tax
12. Gross Receipts Taxes
13. Beer Taxes
14. Alcoholic Beverage Taxes
15. Franchise Tax
16. Excise Tax
17. Tobacco Tax
18. Motor Vehicle Title and Registration Fees
19. Mixed Drink Tax
20. Business Tax
21. Occupational Privilege Tax
22. Severance Taxes
23. Insurance Premiums Tax
24. Coin Operated Amusement Machine Tax
25. Tire Predisposal Fee
26. Used Oil Tax
27. Car Rental Surcharge
28. Bail Bond Tax
29. Vending Machine Tax
30. Unauthorized Substances Tax
31. Insurance Verification Fee
32. Fantasy Sports Tax
33. Sports Wagering Licensing and Fees
34. Nursing Home Tax
35. Hospital Coverage Assessment
36. Ambulance Service Provider Assessment

Mixed Fee and Tax Revenue Sources

37. Regulatory Fees and Tax Collections from:

- a. Department of Commerce and Insurance
- b. E-911 Emergency Communications
- c. Department of Financial Institutions
- d. Wildlife Resources Agency
- e. Department of Health
- f. Department of Agriculture
- g. Regulatory Board Fees
- h. Tennessee Public Utility Commission
- i. Secretary of State
- j. Department of Safety
- k. Department of Revenue
- l. Department of Education
- m. Department of Environment and Conservation
- n. Other State Departments, Agencies, and Boards

Non-Tax Revenue Sources

- 38. Court Fines & Penalties Reported to:
 - a. Department of Commerce and Insurance
 - b. Department of Financial Institutions
 - c. Department of Agriculture
 - d. Wildlife Resources Agency
 - e. Department of Health
 - f. Tennessee Public Utility Commission
 - g. Department of Safety
 - h. Department of Education
 - i. Department of Environment and Conservation
 - j. Department of Labor
 - k. Other State Departments, Agencies, and Boards
- 39. Treasury Earnings
- 40. Proceeds from Unclaimed Property
- 41. Departmental Revenues for Current Services
- 42. Federal Funds
- 43. Proceeds of State Bonds and Notes
- 44. Gifts and Donations
- 45. Payments in Lieu of Taxes
- 46. Opioid Litigation Settlement
- 47. Tobacco Litigation Settlement
- 48. Lottery Revenues

Approved:


JONATHAN SKRMETTI
Attorney General and Reporter
State of Tennessee

January 24, 2024

Mr. Jason E. Mumpower
Comptroller of the Treasury
State Funding Board
State Capitol
Nashville, Tennessee 37243

Dear Mr. Mumpower:

Sections 9-6-201 and 202 of the *Tennessee Code Annotated* state that the Funding Board may secure from the Tennessee Econometric Model the estimated rate of growth of the state's economy as measured by the forecasted change in Tennessee personal income. Personal income is defined by the United States Department of Commerce. Major assumptions and the methodology used in arriving at the estimates are to be provided as well. The background information to our forecast is included in the *Tennessee Economic Report to the Governor, 2024*.

We report the following to you:

Calendar Year	Personal Income (mil \$)	Growth (%)	Index (1977=100)	Calendar Year	Personal Income (mil \$)	Growth (%)	Index (1977=100)	Calendar Year	Personal Income (mil \$)	Growth (%)	Index (1977=100)
1977	27,176	10.83	100.00	1994	106,434	6.39	391.65	2011	241,432	6.07	888.41
1978	30,979	14.00	114.00	1995	114,276	7.37	420.51	2012	252,592	4.62	929.48
1979	34,544	11.51	127.11	1996	120,649	5.58	443.96	2013	254,465	0.74	936.36
1980	38,078	10.23	140.12	1997	127,785	5.91	470.22	2014	263,856	3.69	970.92
1981	42,383	11.31	155.96	1998	139,760	9.37	514.28	2015	277,356	5.12	1020.60
1982	45,046	6.28	165.76	1999	145,232	3.91	534.42	2016	286,532	3.31	1054.37
1983	48,057	6.68	176.84	2000	153,990	6.03	566.64	2017	299,308	4.46	1101.38
1984	53,481	11.29	196.80	2001	158,125	2.69	581.86	2018	316,177	5.64	1163.45
1985	57,208	6.97	210.51	2002	162,879	3.01	599.35	2019	335,497	6.11	1234.54
1986	61,216	7.01	225.26	2003	169,930	4.33	625.30	2020	359,634	7.19	1323.36
1987	65,941	7.72	242.65	2004	179,893	5.86	661.96	2021	396,986	10.39	1460.81
1988	71,646	8.65	263.64	2005	188,178	4.61	692.45	2022	411,035	3.54	1512.50
1989	76,928	7.37	283.07	2006	200,189	6.38	736.64	2023	436,709	6.25	1606.98
1990	81,787	6.32	300.96	2007	209,747	4.77	771.81	2024	458,924	5.09	1688.72
1991	86,093	5.26	316.80	2008	218,372	4.11	803.55	2025	481,787	4.98	1772.85
1992	94,022	9.21	345.98	2009	217,095	-0.59	798.85	2026	504,984	4.81	1858.21
1993	100,042	6.40	368.13	2010	227,613	4.85	837.56				

We would be pleased to discuss the economic forecast with you in detail.

Best regards,



Larry Kessler
Research Associate Professor

Boyd Center for Business & Economic Research
716 Stokely Management Center
916 Volunteer Boulevard, Knoxville, TN 37996-0570
865-974-5441 haslam.utk.edu/boyd-center

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JASON E. MUMPOWER
Comptroller

To: State Funding Board Members
From: Sheila Reed, Director
Division of Local Government Finance
Date: January 12, 2024
Subject: Second Notice of Default on Metro Nashville IDB Series 2015 Bonds

Insufficiency of Funds – Bellevue Mall Project

The Industrial Development Board of the Metropolitan Government of Nashville and Davidson County (the “IDB”) filed a notice of default on December 27, 2023, in connection with insufficiency of funds for its \$21,935,000 Series 2015 Tax Increment Revenue Bonds (the Bellevue Mall Project). For the second consecutive year, the debt service reserve fund has been exhausted for the bonds.

According to the default notice: sufficient funds were not available to fund the scheduled December 1 debt service payment, requiring funds to be transferred from the debt service reserve fund, leaving an unpaid balance of \$395,404.85 for the payment on December 1, 2023. The transfer of funds from the debt service reserve fund fully depleted the debt service reserve fund. Based on projected tax increment revenues there may be insufficient revenues to fully fund future debt service payments or to replenish the debt service reserve fund.

Pursuant to State Funding Board Guidelines, IDBs are required to provide the Board notice of default, including insufficiency of funds not defined as a default under a bond indenture, within 15 days of the event. The notice was filed on December 27, 2023, and was not timely filed.

Series 2015 Bonds

History

The Series 2015 Bonds were issued on December 31, 2015, and the first three years of debt service (2016, 2017, and 2018) were met by using capitalized interest payments. Debt service reserve funds were needed beginning with the 2019 payment, which was the first year the payments from capitalized interest ended. Debt service reserve funds continued to be used in 2020 and 2021. However, draws upon the debt service reserve funds in 2022 and 2023 were insufficient to make the required debt service payments, by \$45,690.99, and \$395,404.85, respectively.

Security, Type of Sale, and Investors

The Series 2015 Bonds are secured by Tax Incremental Financing (TIF) Revenues on the Bellevue Project. Failure to make payments on the Series 2015 bonds when TIF revenue is

insufficient is not a default under the bond indenture, accordingly, the IDB is not in default with its bondholders.

The bonds were sold by private placement and the IDB reported that the Series 2015 Bonds were purchased by Preston Hollow Community Capital and that the investor was aware that the failure to make the payment due to inadequate TIF revenues was not a default under the indenture. Preston Hollow is a Dallas-based investment firm “*providing specialized impact financing solutions for projects of significant social and economic importance to local communities in the United States.*”

For further information about the security for the Series 2015 Bonds, please see the excerpt from the official statement and for the definition of default from the indenture below:

SECURITY AND SOURCES OF PAYMENT

Limited Obligations

The Bonds are special and limited obligations of the Issuer payable from Tax Increment Revenues on property located within the boundaries of the Bellevue Economic Impact Plan. *Generation of sufficient Tax Increment Revenues to pay Debt Service on the Bonds requires the closing of the construction loans for the various Project components and the construction of most of the Project, none of which has occurred as of the issuance of the Bonds.*

THE BONDS AND THE OBLIGATIONS EVIDENCED THEREBY DO NOT CONSTITUTE A LIEN UPON ANY PROPERTY OF THE ISSUER OR ANY PROPERTY OF THE DEVELOPER, INCLUDING, WITHOUT LIMITATION, THE PROJECT, THE PLAN AREA OR ANY PORTION THEREOF, BUT CONSTITUTE A LIEN ONLY ON THE TRUST ESTATE AS SET FORTH IN THE INDENTURE. NOTHING IN THE BONDS OR IN THE INDENTURE SHALL BE CONSTRUED AS OBLIGATING THE ISSUER TO PAY THE BONDS OR THE REDEMPTION PRICE THEREOF OR THE INTEREST THEREON EXCEPT FROM THE TRUST ESTATE, OR AS PLEDGING THE FAITH AND CREDIT OF THE ISSUER, THE METROPOLITAN GOVERNMENT, THE COUNTY OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, OR AS OBLIGATING THE ISSUER, THE METROPOLITAN GOVERNMENT, THE COUNTY OR THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS, DIRECTLY OR INDIRECTLY OR CONTINGENTLY, TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR. FOR THE AVOIDANCE OF DOUBT, DEVELOPER SHALL HAVE NO OBLIGATION TO PAY THE BONDS OR THE REDEMPTION PRICE THEREOF OR THE INTEREST THEREON.

Pledged Revenues and Funds; Trust Estate

Pursuant to the Indenture, the Issuer will pledge, transfer and assign to the Trustee for the benefit of the Bondholders (the “Trust Estate”):

- All of the Issuer's right, title and interest in all of that portion of the ad valorem real property taxes levied upon those parcels of real property and those items of personal property located within the boundaries of the Bellevue Economic Impact Plan, as described in more detail below (the "Designated Properties") (see **TAX INCREMENT FINANCING - Designated**

Properties for Tax Increment Revenues), required to be allocated to, and when collected, paid to the Issuer pursuant to the Industrial Development Board Act (the "Tax Increment Revenues");

- The Issuer's rights under the Development Agreement (see **DEVELOPMENT AGREEMENT**); and
- All moneys and securities in any one of the funds or accounts established under the Indenture (other than the Administrative Expense Fund).

Such security will be for the equal and proportionate benefit and security of the registered owners from time to time of the Bonds issued under the Indenture, without preference of any Bond over any other Bond. No additional bonds may be issued by the Issuer secured by the Tax Increment Revenues.

ARTICLE VIII. EVENTS OF DEFAULT AND REMEDIES

Section 8.1 Events of Default and Remedies. Events of default and remedies with respect to the Bonds shall be as set forth in this Indenture.

Section 8.2 Events of Default Defined. Each of the following shall be an "Event of Default" under the Indenture, with respect to the Bonds:

(a) if default shall be made in the due and punctual observance or performance of any covenant, contract or other provision in the Bonds or in this Indenture to be observed or performed, as applicable, by the Issuer, and such default shall continue for a period of thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by the Trustee; provided however, in no event shall the failure to pay any installment of principal or of interest on the Bonds constitute an Event of Default, unless the Revenues and other amounts on deposit in the Pledged Funds are sufficient to timely pay such installment, in which case the default shall be immediate upon the failure to timely pay such installment; and, provided further, that failure to apply any Revenues and other amounts on deposit in the Pledged Funds to the payment of principal, interest and any premium on the Bonds as required hereunder shall constitute an immediate Event of Default; or

(b) if the Issuer or the Metropolitan Government shall institute proceedings to be adjudicated as bankrupt or insolvent, or shall consent to the institution of bankruptcy or insolvency proceedings against it, or shall file a petition or answer or consent seeking reorganization or relief under the federal bankruptcy code or any other similar applicable federal or state law, or shall consent to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the Issuer or of any substantial part of its property, or shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due.

Section 8.3 Acceleration; Rescission and Annulment. If an Event of Default described in Section 8.2(b) occurs and is continuing, the Trustee may, and upon the written request of the Bondholder Representative or, in the case of no Bondholder Representative, of Owners of not less than 25% in principal amount of the Bonds Outstanding shall, by written notice to the Issuer, declare the principal of all Bonds Outstanding and the interest accrued thereon to be due and payable, and upon any such declaration such principal and interest shall become immediately due and payable.

Subsequent to receipt of the notice of default, we reached out to issuer’s counsel, Carpenter Law, to request additional information related to the notice of default (enclosed). We are also enclosing the documents included with the initial notice of default.

History of reports on default to the State Funding Board:

Date of Default	Date Posted on EMMA	Date Filed with LGF	Default Description	Series 2015 Monetary Defaults	Date Reported to State Funding Board
12/1/2022	12/9/2022	12/16/2022	Semi-annual interest payment	\$ 45,691	2/15/2022
12/1/2023	12/27/2023	12/27/2023	Semi-annual interest payment	395,405	1/XX/2024
Total Monetary Defaults				\$ 441,096	

Enclosures:

From Subsequent Communication with Counsel

1. Correspondence from Carpenter Law – Issuer’s Counsel, Dated January 9, 2024

From the IDB’s Notice of Default Submitted on December 27, 2023

2. Notice of Default Form
3. Notice of Default of Conduit Financing Debt Obligation (Pursuant to TCA § 7-53-304)
4. EMMA Event Notice Filing (Pursuant to the Continuing Disclosure Undertakings)
5. Private Placement Memorandum

**Notice of Default Form
Industrial Development Board**

A. **Name of IDB** The Industrial Development Board of The Metropolitan Government of Nashville and Davidson County

B. **Contact Information:**

	Name	Title	Company Name	Phone Number	Email Address
IDB President	Nigel Hodge	Chairman			standstrat@gmail.com
IDB Counsel	Corbin I. Carpenter	Issuer's Counsel	Carpenter Law, PLLC	901523-7788	corbinc@386beale.com
Financial Advisor	N/A				
Obligor					
Authorized Representative	Nigel Hodge	Chairman			standstrat@gmail.com

C. **Name of Defaulted Debt Issue** Tax Increment Revenue Bonds (Bellevue Mall Project), Series 2015

D. **Description of Debt** revenue bonds issued as conduit to finance a portion of the redevelopment costs of the former Bellevue Center Mall.

E. **Type of Default** Monetary

F. **Date of Default** December 1, 2023

G. **Date Default Reported on EMMA** December 27, 2023

H. **Reason for Default and Plans to Cure** Lack of sufficient cash flow of pledge revenues to make scheduled debt service payments for the bonds

I. **Additional Comments** Please see attached hereto: (i) the December 27th EMMA, (ii) the December 27th filing with the Comptroller of the Treasury and the (iii) Private Placement Memorandum for additional information

*Please provide a copy of the Official Statement, Offering Memorandum, or Loan Documents, whichever is applicable.

J. Signatures

Signature	<u><i>/s/ Nigel Hodge</i></u>	<u><i>/s/ Corbin I. Carpenter</i></u>
Name	<u>Nigel Hodge</u>	<u>Corbin I. Carpenter</u>
Title	<u>Chairman</u>	<u>Issuer's Counsel</u>
Phone		<u>901-523-7788</u>
Email	<u>standstrat@gmail.com</u>	<u>corbinc@386beale.com</u>
Date	<u>December 27, 2023</u>	<u>December 27, 2023</u>

K. **Date Notice of Default Filed with Comptroller of the Treasury** December 27, 2023

From: [Corbin I. Carpenter](#)
To: [Steve Osborne](#)
Cc: [Sheila Reed](#); [Charles E. Carpenter](#)
Subject: RE: Metro Nashville IDB
Date: Tuesday, January 9, 2024 1:24:05 PM
Attachments: [image003.png](#)
[BELLEVUE EMMA DISCLOSURE \(2023\).pdf](#)
Importance: High

Good afternoon Mr. Osborne:

Please accept my apologies for the late response as I have been traveling. Below are our responses to your questions:

1. **Do you have a principal in interest schedule for the bonds by each year?**

- **Response:** As a conduit issuer, the Metropolitan Nashville Industrial Development Board (the "IDB") does not maintain these records. At the original closing of this financing all ongoing responsibilities were assigned to a paying agent/bond trustee, identified in the bond documents, who services the bonds during its term.

2. **Noting that the memo references the possibility of future defaults, are there any updated projections for future revenues to the TIF district?**

- **Response:** As a conduit issuer, the IDB does not maintain these records. In general, future revenues will be based on the increment of taxes generated within the TIF district, as identified at the creation of the TIF district. The purchasers of these type of revenue securities typically are "institutional investors" or "accredited investors", who understand and accept the investment risks and will maintain internal records for their own account.

3. **If future revenues are in excess of the future year payments will excess revenues be used to repay missed payments?**

- **Response:** Interest will continue to accrue on partial or missed payments and if excess revenues are generated in the future, such revenues will be used to repay any deficiencies.

Also attached hereto is the IDB's required annual filing which we posted on EMMA.

Please advise if you have any further questions, we are happy to discuss. Thanks, CIC.

Corbin I. Carpenter, Esquire
Managing Member
Three Eight Six Beale Street
Memphis, Tennessee 38103
Phone: 901.523.7788
Fax: 901.523.2849
Cell: 901.603.8170
www.CarpenterLaw1978.com



CIRCULAR 230 DISCLOSURE

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From: Steve Osborne <Steve.Osborne@cot.tn.gov>
Sent: Wednesday, January 3, 2024 3:28 PM
To: Corbin I. Carpenter <corbinc@386beale.com>
Cc: Sheila Reed <Sheila.Reed@cot.tn.gov>
Subject: Metro Nashville IDB

Mr. Carpenter,

Happy New Year. We have a few questions concerning the Bellevue TIF:

1. Do you have a principal in interest schedule for the bonds by each year?
2. Noting that the memo references the possibility of future defaults, are there any updated projections for future revenues to the TIF district?
3. If future revenues are in excess of the future year payments will excess revenues be used to repay missed payments?

Thank you,
Steve

Steve Osborne
Assistant Director
Comptroller of the Treasury
Division of Local Government Finance

425 Rep. John Lewis Parkway N. | Nashville, TN 37243
Steve.Osborne@cot.tn.gov | Direct Line 615.747.5343



Mission: To Make Government Work Better

**ANNUAL FILING FOR
THE INDUSTRIAL DEVELOPMENT BOARD
OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**

Tax Increment Revenue Bonds (Bellevue Mall Project), Series 2015

CUSIP: 592111 BG2

Date: December 31, 2023

- 1. List the assessed valuation and property taxes charged and paid by each taxpayer with respect to the 2022-2023 fiscal year for all real and personal property within the Plan Area.**

See Attachment A.

- 2. The rate and amount of property taxes scheduled to be retained by the Metropolitan Government for the 2023-2024 fiscal year.**

The GSD Tax Rate for the 2023-2024 fiscal year of the Metropolitan Government is \$2.922 per \$100 of assessed value. The Economic Impact Plan requires that base taxes and debt service taxes be retained by the Metropolitan Government. Under the Economic Impact Plan, base taxes are \$281,077. Debt service taxes are the portion of current-year taxes levied for the purpose of paying general obligation and school debt service. For the 2023-2024 Fiscal Year, \$.597 of the total General Service Fund tax levies (20.43%) are attributable to debt service taxes.

- 3. Provide an update on all tax bill delinquencies and collection of past due tax bills within the Plan Area within the previous five years (or for delinquent tax bills which remain uncollected), including a summary of any enforcement actions undertaken or Receivables Sale Agreements entered by the Metropolitan Government with respect to real or personal property within the Plan Area.**

The real and personal property tax bills listed with a balance noted as “Unpaid” indicate a balance of the 2022 taxes was delinquent as of October 09, 2023. Property taxes are levied each year based upon assessed valuation as of January 1 of that year. On March 1 of the calendar year following the levy, taxes become delinquent, and penalty and interest are assessed at 1.5% a month. Property taxes which become twelve months delinquent are transferred to the custody of the Department of Law for collection through legal action. As of October 09, 2023, the following amounts remain delinquent on other tax years:

Tax Year	Amount Delinquent
2021	3,010.29
2020	727.49
2019	579.13
2018	341.93

4. Identify the balance of the funds and accounts held under the Indenture.

Fund/Account	Balance (as of December 11, 2023)
Project Fund	\$0.00
Administrative Expense Fund	\$17.64
Revenue Fund	\$30.40
Bond Fund – Debt Service Account	\$1,428.63
Bond Fund – Special Redemption Account	\$0.00
Debt Service Reserve Fund	\$2.92

Attachment A

Attachment A						
Bellevue Mall TIF						
2022 Taxes - Collected in Fiscal Year Ended June 30, 2023 and Subsequent						
information provided effective 10/09/23						
Total Real Property Collected:						
Parcel	Address	Assessed Value	Tax Rate	Total Tax Bill	Collection Amount	Unpaid Balance
12800018700	7614 Highway 70 S	31,654,600.00	2.953	924,947.41	924,947.41	-
12800018800	8075 Sawyer Brown Rd	34,000,000.00	2.953	993,480.00	993,480.00	-
14200037800	7624 Highway 70 S	892,960.00	2.953	26,092.29	26,092.29	-
14200037900	7622 Highway 70 S	1,165,720.00	2.953	34,062.34	34,062.34	-
14200038400	7606 Highway 70 S	1,597,080.00	2.953	46,666.68	46,666.68	-
14200038500	7616 Highway 70 S	4,480,800.00	2.953	130,928.97	130,928.97	-
Total Real Property Collected		73,791,160.00		2,156,177.69	2,156,177.69	-
Total Personalty Collected:						
Parcel	Owner	Assessed Value	Tax Rate	Total Tax Bill	Collection Amount	Balance
12800018700	MICHAELS STORES INC	64,683.00	2.953	1,890.03	1,890.03	-
12800018700	STUDIO NINE	675.00	2.953	19.73	19.73	-
12800018700	CASHMERE STUDIO	300.00	2.953	8.77		8.77
12800018700	HALAL GUYS THE	12,474.00	2.953	364.49		364.49
12800018700	PETSMART LLC #2738	62,322.00	2.953	1,821.04	1,821.04	-
12800018700	SPROUTS FARMERS MARKET #582	178,717.00	2.953	5,222.12	5,222.12	-
12800018700	BURLINGTON COAT FACTORY WAREHOUSE #1023	81,872.00	2.953	2,392.30	2,392.30	-
12800018700	LOVE STORY BY J. RANAE	375.00	2.953	10.96		10.96
12800018700	RESULTS PHYSIOTHERAPY #2126	6,847.00	2.953	200.07	200.07	-
12800018700	HOMEGOODS INC	59,113.00	2.953	1,727.28	1,727.28	-
12800018700	AMERICAN MULTI-CINEMA INC	288,598.00	2.953	8,432.84	8,432.84	-
12800018700	BISSELL RENTAL LLC # PS-2738	106.00	2.953	3.09	3.09	-
12800018700	HILLMAN GROUP INC, THE	3,750.00	2.953	109.59	109.59	-
12800018700	KIRKLAND'S STORES INC #1026	15,675.00	2.953	458.03	458.03	-
12800018700	MAURICES INCORPORATED #2287	12,076.00	2.953	352.87	352.87	-
12800018700	CHICKEN SALAD CHICK	22,982.00	2.953	671.54	671.54	-
12800018700	AR HAIR STUDIO	526.00	2.953	15.37	15.37	-
12800018700	CABELO STUDIO BY RAQUEL	300.00	2.953	8.77		8.77
12800018700	IN LOVE AT LASH	4,040.00	2.953	118.05		118.05
12800018700	LINDSAY THOMPSON STUDIO	600.00	2.953	17.53		17.53
12800018700	DANCE IN BLOOM LLC	1,538.00	2.953	44.93	44.93	-
12800018700	MAGGIE MAE'S/MAGGIE BOJNIEWICZ	600.00	2.953	17.53		17.53
12800018700	ULTA SALON COSMETICS & FRAGRANCE INC	119,840.00	2.953	3,501.72	3,501.72	-
12800018700	BLH ACQUISITION CO LLC	163,343.00	2.953	4,772.87	4,772.87	-
12800018700	SPAVIA OF NASHVILLE	9,362.00	2.953	273.55		273.55

12800018700	ROSS #2028	78,782.00	2.953	2,302.01	2,302.01	-
12800018700	PDK SOUTHERN KITCHEN & PANTRY	66,414.00	2.953	1,940.62	1,940.62	-
12800018700	EASTERN PEAK-BELLEVUE LLC	31,257.00	2.953	913.32	913.32	-
12800018700	EK STUDIOS SALON	4,040.00	2.953	118.05		118.05
12800018700	WELL COFFEEHOUSE, THE	144,657.00	2.953	4,226.89	4,226.89	-
12800018700	BENCHMARK REALTY , LLC	2,941.00	2.953	85.93	85.93	-
12800018700	DESANO NASHVILLE BELLEVUE LLC	46,287.00	2.953	1,352.50	1,352.50	-
12800018700	HONEYFIRE BBQ, COMPANY LLC	50,431.00	2.953	1,473.59	1,473.59	-
12800018700	BELLEVUE EGGZ, LLC	50,578.00	2.953	1,477.89	1,477.89	-
12800018700	TROPICAL SMOOTHIE CAFE	76,315.00	2.953	2,229.93		2,229.93
12800018700	LAPELS DRY CLEANING	1,863.00	2.953	54.43	54.43	-
12800018700	SPORTSCLIPS	4,040.00	2.953	118.05		118.05
12800018700	NASHVILLE DENTAL SERVICES	62,497.00	2.953	1,826.17	1,826.17	-
12800018700	SOLA SALON STUDIOS	7,056.00	2.953	206.17	206.17	-
12800018800	MM + I CONSTRUCTION AND DESIGN	5,374.00	2.953	157.04	157.04	-
12800018800	CREEK CONTENT LLC	1,048.00	2.953	30.61	30.61	-
12800018800	PLATINUM RECORDS NASHVILLE	1,719.00	2.953	50.23	50.23	-
12800018800	THE SAWYER AT ONE BELLEVUE PLACE	171,079.00	2.953	4,998.93	4,998.93	-
12800018800	ARMCO	907.00	2.953	26.49	26.49	-
12800018800	CBD CATERING, BANQUETS & DINNERS	600.00	2.953	17.53		17.53
12800018800	CLEAN SLATE CONSTRUCTION CONSULTING LLC	300.00	2.953	8.77	8.77	-
12800018800	T & T ENGINEERING AND CONSULTING LLC	345.00	2.953	10.07		10.07
14200037800	CHILI'S INC #1583	58,450.00	2.953	1,707.91	1,707.91	-
14200037900	PANERA BREAD #1968	65,788.00	2.953	1,922.32	1,922.32	-
14200038400	N/A N/A		2.953			-
14200038500	HOME 2 SUITES BY HILTON	926,360.00	2.953	27,068.24	27,068.24	-
12800018700	M J STUDIO/SOLA SALON	300.00	2.953	8.77	8.77	-
12800018700	HAIR FOLLICLES BY KATHY HUFF	1,147.00	2.953	33.52		33.52
14200038400	CHICK FIL A INC	183,614.00	2.953	5,365.20	5,365.20	-
Total Personality Collected		3,154,903.00		92,186.25	88,839.45	3,346.80
Total		76,946,063.00		2,248,363.94	2,245,017.14	3,346.80
Base Year Total Assessed Value		7,163,040.00	3.924		281,077.69	
Total Tax Increment					1,963,939.45	
Less Debt Service Portion Retained by Metro					400,772.23	
Total Tax Increment Due for 2021 Taxes					1,563,167.22	

THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)



Obligated Person: The Industrial Development Board of the Metropolitan Government of Nashville and Davidson County, Tennessee (the “Industrial Development Board”)

Relevant CUSIP Number: 592111BG2

Type of Information: Disclosure of information regarding the Industrial Development’s Board \$21,935,000 Tax Increment Revenue Bonds (Bellevue Mall Project) Series 2015 (the “Bonds”)

Type of Disclosure: Reporting Specified Events as set forth in Section 5 of the Undertaking

Description: Principal and interest payment delinquency; and
Unscheduled draw on debt service reserve fund reflecting financial difficulties.

THE INDUSTRIAL DEVELOPMENT BOARD IS POSTING THIS EVENT NOTICE FILING AS AN EVENT DISCLOSURE PURSUANT TO ITS EXISTING CONTINUING DISCLOSURE UNDERTAKINGS. THE INDUSTRIAL DEVELOPMENT BOARD HAS NO INTENTION OR OBLIGATION TO PROVIDE ANY UPDATE TO THIS EVENT NOTICE FILING OR THE SUBJECT MATTER CONTAINED HEREIN SUBSEQUENT TO ITS POSTING. ANY OBLIGATION TO DO SO IS EXPRESSLY DISCLAIMED BY THE INDUSTRIAL DEVELOPMENT BOARD.

Capitalized terms used herein shall have the meanings ascribed to them as set forth in the Indenture (as hereinafter defined) and the Undertaking (as hereinafter defined).

The Bonds were issued pursuant to a Trust Indenture dated as of December 1, 2015 (the “**Indenture**”), by and between the Industrial Development Board and Regions Bank, as Trustee (the “**Trustee**”). Under the Indenture, the Industrial Development Board pledged as security for payment of the Bonds (i) its rights to the tax increment revenues generated by the Project, (ii) its rights under the Development Agreement executed by and between the Industrial Development Board and Bellevue Redevelopment Associates, LP (the “**Developer**”) for the Retail Project, and (iii) certain funds established and maintained under the Indenture, including a debt service reserve fund.

On December 31, 2015, the Industrial Development Board entered into a continuing disclosure undertaking in connection with its \$21,935,000 Tax Increment Revenue Bonds (Bellevue Mall Project) Series 2015 (the “**Undertaking**”), as an “obligated person” under Rule 15c2-12 of the Securities and Exchange Act of 1934 (the “**Rule**”). The Undertaking incorporated certain requirements, wherein if one or more of the enumerated specified events occurs then, the Industrial Development Board shall disclose to the Municipal Securities Rulemaking Board (“**MSRB**”), in an electronic format, such information regarding the occurrence of the applicable specified event(s) not later than ten (10) business days after the occurrence of such event(s).

The Bonds are special and limited obligations of the Industrial Development Board, and none of the Industrial Development Boards, the State of Tennessee, nor any political subdivision thereof, including the Industrial Development Board and The Metropolitan Government of Nashville and Davidson County (the “**Metropolitan Government**”), nor the Developer or owner of the Project or the Plan Area or any portion thereof, shall be obligated to pay the Bonds except from funds pledged under the Indenture. The Industrial Development Board has no taxing power.

Debt service on the Bonds is payable on June 1 and December 1 of each year. The debt service on the Bonds is payable from funds pledged under the Indenture and are additionally supported by a debt service reserve fund that can be used to pay debt service on the Bonds if tax increment revenues are insufficient.

The Industrial Development Board hereby provides notice that sufficient funds were not available to fund the scheduled December 1 debt service payment, requiring funds to be transferred from the debt service reserve fund, leaving an unpaid balance of \$395,404.85 for the payment on December 1, 2023.

The transfer of funds from the debt service reserve fund fully depleted the debt service reserve fund. Based on projected tax increment revenues there may be insufficient revenues to fully fund future debt service payments or to replenish the debt service reserve fund. The Industrial Development Board further provides notice that a debt service delinquency is not a default under the Indenture and the other applicable Bond documents, but it does require the public filing of an Event Notice.

The Industrial Development Board further provides notice that, pursuant to and in accordance with the terms of the Indenture and Undertaking governing the Bonds, revenues available to pay scheduled debt service on the Bonds on December 1, 2023, including the transfer from the debt service reserve fund left an unpaid balance of \$395,404.85.

THIS EVENT NOTICE FILING IS PROVIDED SOLELY FOR CONTINUING DISCLOSURE AND INFORMATIONAL PURPOSES. THIS EVENT NOTICE FILING DOES NOT CONSTITUTE A REPRESENTATION REGARDING ANY FINANCIAL OR OPERATING DATA OR OTHER INFORMATION CONCERNING THE INDUSTRIAL DEVELOPMENT BOARD OR THE METROPOLITAN GOVERNMENT; NOR DOES IT CONSTITUTE A REPRESENTATION THAT NO OTHER CIRCUMSTANCES OR EVENTS HAVE OCCURRED OR THAT NO OTHER INFORMATION EXISTS REGARDING THE INDUSTRIAL DEVELOPMENT BOARD THAT MAY HAVE A BEARING ON THE FINANCIAL CONDITION OF THE INDUSTRIAL DEVELOPMENT BOARD OR THE SECURITY FOR THE INDUSTRIAL DEVELOPMENT BOARD’S OUTSTANDING BONDS, NOTES AND OTHER OBLIGATIONS. THIS EVENT FILING NOTICE DOES NOT CONSTITUTE A RECOMMENDATION TO BUY, SELL, OR HOLD ANY BONDS, NOTES OR OTHER OBLIGATIONS FOR WHICH THE INDUSTRIAL DEVELOPMENT BOARD IS THE OBLIGOR OR IS AN “OBLIGATED PERSON” UNDER RULE 15c2-12 OF THE SECURITIES AND EXCHANGE ACT OF 1934.

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THE INFORMATION SET FORTH IN THIS EVENT NOTICE FILING, INCLUDING THE APPENDICES ATTACHED HERETO, IF ANY, IS ONLY ACCURATE AS OF THE DATE HEREOF AND THERE MAY BE EVENTS THAT OCCUR SUBSEQUENT TO SUCH DATE THAT WOULD HAVE A MATERIAL ADVERSE EFFECT ON THE INFORMATION PRESENTED HEREIN. THE INFORMATION SET FORTH HEREIN IS NOT WARRANTED AS TO COMPLETENESS OR ACCURACY AND MAY BE SUBJECT TO CHANGE WITHOUT NOTICE UPON MODIFICATIONS MUTUALLY APPROVED BY THE INDUSTRIAL DEVELOPMENT BOARD AND THE METROPOLITAN GOVERNMENT.

Date: December 27, 2023.

**THE INDUSTRIAL DEVELOPMENT
BOARD OF THE METROPOLITAN
GOVERNMENT OF NASHVILLE AND
DAVIDSON COUNTY, TENNESSEE**

By: /s/ Nigel Hodge

**Nigel Hodge
Board Chairman**

NOTICE OF DEFAULT OF CONDUIT FINANCING DEBT OBLIGATION
(Pursuant to Tennessee Code Annotated Section 7-53-304)

Conduit Issuer: The Industrial Development Board of the Metropolitan Government of Nashville and Davidson County, Tennessee (the “Industrial Development Board”)

Relevant CUSIP Number: 592111BG2

Type of Information: Notice of Default of Debt Obligations regarding the Industrial Development’s Board \$21,935,000 Tax Increment Revenue Bonds (Bellevue Mall Project) Series 2015 (the “Bonds”)

Type of Disclosure: Notice of Default of Debt Obligations as set forth in TCA 7-53-304 (b)

Description: Principal and interest payment delinquency; and unscheduled draw on debt service reserve fund reflecting financial difficulties.

THE INDUSTRIAL DEVELOPMENT BOARD IS MAKING THIS FILING OF DEFAULT OF DEBT OBLIGATIONS PURSUANT TO TENNESSEE CODE ANNOTATED (TCA) 7-53-304 (b).

Capitalized terms used herein shall have the meanings ascribed to them as set forth in the Indenture (as hereinafter defined) and the Undertaking (as hereinafter defined).

The Bonds were issued pursuant to a Trust Indenture dated as of December 1, 2015 (the “**Indenture**”), by and between the Industrial Development Board and Regions Bank, as Trustee (the “**Trustee**”). Under the Indenture, the Industrial Development Board pledged as security for payment of the Bonds (i) its rights to the tax increment revenues generated by the Bellevue Mall Project (the “**Project**”), (ii) its rights under the Development Agreement executed by and between the Industrial Development Board and Bellevue Redevelopment Associates, LP (the “**Developer**”) for the Project, and (iii) certain funds established and maintained under the Indenture, including a debt service reserve fund.

On December 31, 2015, the Industrial Development Board served as conduit issuer (the “**Conduit Issuer**”) in connection with its \$21,935,000 Tax Increment Revenue Bonds (Bellevue Mall Project) Series 2015 (the “**Bonds**”). The Bonds are special and limited obligations of the Industrial Development Board, and neither the Industrial Development Board, the State of Tennessee, nor any political subdivision thereof, including The Metropolitan Government of Nashville and Davidson County (the “**Metropolitan Government**”), nor the Developer or owner of the Project or the Plan Area or any portion thereof, shall be obligated to pay the Bonds except from funds pledged under the Indenture. The Industrial Development Board has no taxing power.

Debt service on the Bonds is payable on June 1 and December 1 of each year. The debt service on the Bonds is payable solely from funds pledged under the Indenture and are additionally supported by a debt service reserve fund that can be used to pay debt service on the Bonds if tax increment revenues are insufficient.

The Industrial Development Board hereby provides notice that sufficient funds were not available to fund the scheduled December 1 debt service payment, requiring funds to be transferred from the debt service reserve fund, leaving an unpaid balance of \$395,404.85 for the payment on December 1, 2023. The transfer of funds from the debt service reserve fund fully depleted the debt service reserve fund. Based on

projected tax increment revenues there may be insufficient revenues to fully fund future debt service payments or to replenish the debt service reserve fund.

The Industrial Development Board further provides notice that by the terms of the Indenture and other applicable Bond Documentation, a debt service delinquency is not a default, but the Conduit Issuer determined, as a matter of compliance with state law, that the public filing of this Notice of Default of Debt Obligations is required pursuant to TCA 7-53-304 (b).

THIS NOTICE OF DEFAULT OF DEBT OBLIGATIONS FILING IS PROVIDED SOLELY FOR TCA, SECTION 7-53-304 (b). THIS FILING DOES NOT CONSTITUTE A REPRESENTATION REGARDING ANY FINANCIAL OR OPERATING DATA OR OTHER INFORMATION CONCERNING THE INDUSTRIAL DEVELOPMENT BOARD OR THE METROPOLITAN GOVERNMENT; NOR DOES IT CONSTITUTE A REPRESENTATION THAT NO OTHER CIRCUMSTANCES OR EVENTS HAVE OCCURRED OR THAT NO OTHER INFORMATION EXISTS REGARDING THE INDUSTRIAL DEVELOPMENT BOARD THAT MAY HAVE A BEARING ON THE FINANCIAL CONDITION OF THE INDUSTRIAL DEVELOPMENT BOARD OR THE SECURITY FOR THE INDUSTRIAL DEVELOPMENT BOARD'S OUTSTANDING BONDS, NOTES AND OTHER OBLIGATIONS. THIS NOTICE DOES NOT CONSTITUTE A RECOMMENDATION TO BUY, SELL, OR HOLD ANY BONDS, NOTES OR OTHER OBLIGATIONS FOR WHICH THE INDUSTRIAL DEVELOPMENT BOARD IS THE OBLIGOR OR IS AN "OBLIGATED PERSON" UNDER RULE 15c2-12 OF THE SECURITIES AND EXCHANGE ACT OF 1934.

THE INFORMATION SET FORTH IN THIS NOTICE OF DEFAULT OF DEBT OBLIGATIONS FILING, INCLUDING THE APPENDICES ATTACHED HERETO, IF ANY, IS ONLY ACCURATE AS OF THE DATE HEREOF AND THERE MAY BE EVENTS THAT OCCUR SUBSEQUENT TO SUCH DATE THAT WOULD HAVE A MATERIAL ADVERSE EFFECT ON THE INFORMATION PRESENTED HEREIN. THE INFORMATION SET FORTH HEREIN IS NOT WARRANTED AS TO COMPLETENESS OR ACCURACY AND MAY BE SUBJECT TO CHANGE WITHOUT NOTICE UPON MODIFICATIONS MUTUALLY APPROVED BY THE INDUSTRIAL DEVELOPMENT BOARD AND THE METROPOLITAN GOVERNMENT.

Date: December 27, 2022.

**THE INDUSTRIAL DEVELOPMENT
BOARD OF THE METROPOLITAN
GOVERNMENT OF NASHVILLE AND
DAVIDSON COUNTY, TENNESSEE**

By: /s/ Nigel Hodge

**Nigel Hodge
Board Chairman**

To: State Funding Board

From: Katie-Faith Stone

Date: January 30, 2024

Subject: Cash Management Improvement Act Annual Report State Fiscal Year 2023

We are pleased to provide you with the attached copy of the State of Tennessee Cash Management Improvement Act Annual Report for fiscal year ended June 30, 2023. The Federal Cash Management Improvement Act (CMIA) requires states to submit an annual report accounting for state and federal interest liabilities of the state's most recently completed fiscal year by December 31. In accordance with the CMIA, this report was electronically submitted to the US Department of Treasury Bureau of the Fiscal Service on December 21, 2023.

The CMIA is a federal regulation created for the purpose of ensuring "greater efficiency, effectiveness, and equity in the exchange of funds between the federal government and the states". The spirit of the CMIA is that states will draw on federal funds when they are needed; they will not draw early and gain interest on the funds, nor will they draw late and pay out their own funds for federal purposes.

In actual practice, however (for example, as a result of both state and federal system issues, as well as human error), interest liabilities occur when transfers of federal funds occur at different times than when the state pays out the funds for its major federal assistance programs. Accordingly, the CMIA provides the methodology for calculating and exchanging interest.

For fiscal year 2023, the state was required to complete a detailed monitoring of the timing of these transfers for sixteen of its federal programs, totaling approximately \$18 billion dollars. The results of this monitoring revealed that the state earned approximately \$827 thousand dollars in interest on the net of early and late draws during the fiscal year that will be returned to the US Department of Treasury Bureau of the Fiscal Service in March 2024.

Please contact me if you have any questions or would like to review any of the supporting documentation.

**STATE OF TENNESSEE
CASH MANAGEMENT IMPROVEMENT ACT
ANNUAL REPORT
STATE FISCAL YEAR 2023**

PREPARED BY
DEPARTMENT OF FINANCE AND ADMINISTRATION
Division of Accounts

**STATE OF TENNESSEE
CASH MANAGEMENT IMPROVEMENT ACT
ANNUAL REPORT
STATE FISCAL YEAR 2023**

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Executive Summary

The Cash Management Improvement Act (CMIA) of 1990 (Public Law 102-453), as amended by the Cash Management Improvement Act of 1992 (Public Law 102-589), governs the transfer of funds between the Federal Government and States. This legislation was enacted to address issues of equity on these exchanges. Specific objectives of this legislation are:

- Provide the calculation to determine the threshold for reporting.
- Establish guidelines on how the exchange of funds is transacted.
- Minimize the time elapsing between when funds are expended and reimbursement is received.
- Calculate and exchange interest when funds are not timely transferred.

Per the 2023 Treasury State Agreement, the threshold for reporting for fiscal year 2023 is **\$66,000,000**. There are **20** Federal programs covered. See Exhibit A for a list of covered programs by State recipient agency.

Compliance

A compliance exception is considered to occur when there is a difference between the dates a Federal transfer should have been received and when the transfer was actually received. The State generally complied with the terms of the Treasury State Agreement for fiscal year 2023.

The State's implementation of the CMIA is subject to audit in accordance with Chapter 75 of Title 31, United States Code, "Requirements for Single Audits." If it can be demonstrated the State has materially failed to comply with its Treasury State Agreement, FMS may request a Federal agency or the General Accounting Office to conduct an audit to determine interest owed to the Federal Government. If the results of the audit are unfavorable, FMS (Federal Management Service) could deny paying any federal interest liability due, deny reimbursement of the direct cost claim, or take other legal remedies.

Interest Exchange

According to the Treasury State Agreement, the Federal Government generally incurs an interest liability when the State pays out funds for program purposes with valid obligational authority before Federal funds are credited to a State account. The State incurs an interest liability when Federal funds are deposited into a State account pending payment for program purposes. A written explanation is required by FMS for all Federal interest liabilities in excess of \$5,000 and all prior year interest liability adjustments. For FY 2023, there was no interest liabilities in excess of \$5,000 or prior year interest liability adjustments to be reported to the State Funding Board.

For FY 2023, the State interest liability is **\$831,217** and Federal interest liability is **\$3,541**. Upon request, department summaries can be provided for additional detail on these amounts. Interest is scheduled to be exchanged by March 31, 2024.

Direct Costs

Costs directly attributable to CMIA monitoring and reporting are reimbursable from the Federal Government. Eligible costs are tracked within Edison and include the calculation of interest liabilities, clearance pattern monitoring, and the preparation of the Annual Report. As of December 2023, the State has approximately **\$4,055** of eligible direct costs. Additional direct costs incurred will be added to this amount, and the total will be reported to FMS as a part of the annual report.

Annual Reporting Procedures

The Cash Management Improvement Act System (CMIAS) is the electronic system provided by FMS for the submission of information to generate the annual report. The report is required to be electronically submitted by December 31, 2023. Upon approval by the U.S. Department of the Treasury, Bureau of the Fiscal Service, a copy of the final report is sent to the State Funding Board Staff.

STATE OF TENNESSEE
SCHEDULE OF INTEREST LIABILITIES - PROJECTED INTEREST EXCHANGE
STATE FISCAL YEAR 2023

AL/CFDA	State Agency	Federal Program	Federal Liability (3)	State Liability (2)	State PY Adjustments	Federal PY Adjustments	Net Liability (1)
10.542	DHS	Pandemic EBT Food Benefits	\$ -	\$ -	\$ -	\$ -	\$ -
10.551	DHS	Supplemental Nutrition Assistance Program	-	-	-	-	-
10.553	Education	National School Breakfast Program	-	1	-	-	(1)
10.555	Education	National School Lunch Program	-	1	-	-	(1)
10.557	Health	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Administration	-	185	-	-	(185)
10.561	DHS	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	-	-	-	-	-
17.225	LWFD	Unemployment Insurance-Federal	1	-	-	-	1
17.225	LWFD	Unemployment Insurance -State	-	-	-	-	-
20.205	TDOT	Highway Planning and Construction	3,512	66,270	-	-	(62,758)
84.010	Education	Chapter I Programs - Local Education Agencies	-	-	-	-	-
84.027	Education	Special Education - State Grants	-	214	-	-	(214)
84.425	Education	Education Stabilization Fund	-	6,992	-	-	(6,992)
93.323	Health	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	-	-	-	-	-
93.558	DHS	Temporary Assistance for Needy Families	19	-	-	-	19
93.575	DHS	Child Care and Development Block Grant	6	443	-	-	(437)
93.596	DHS	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	-	-	-	-	-
93.659	DCS	Adoption Assistance	3	-	-	-	3
93.767	TennCare	Children's Health Insurance Program	-	1,259	-	-	(1,259)
93.778	TennCare	Medical Assistance Program	-	759,393	-	-	(759,393)
97.036	Military	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	-	-	-	-	-
			<u>\$ 3,541</u>	<u>\$ 834,758</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (831,217)</u>

NOTES: (1) A positive indicates a Federal interest liability. A negative indicates a State interest liability.

(2) A State interest liability is incurred from the deposit date until the funds are expended, or from the deposit date the funds are credited back to the federal government.

(3) A Federal interest liability is incurred from the date that funds are expended for program purposes until the date that federal funds are deposited in the State bank account.

(4) The FY 2023 interest rate for states with a July to June fiscal year is 4.23 percent (0.0423).

(5) There is no interest liability for amounts withdrawn from the State Benefit Account for CFDA 17.225 (Unemployment Insurance Program).

Plus Direct Cost \$ 4,055

Net State Interest Liability \$ (827,162)

FY 2023 FEDERAL LIABILITIES EXPECTED TO BE DENIED *

* Federal interest liabilities expected to be denied were due to State non-compliance, departmental accounting errors and recording practices, or because the State agency could not provide adequate or clear documentation to support the Federal interest liability.

CFDA	Program	Amount	Agency
Because all of the federal interest liabilities are less than \$ 5,000, no further explanation is required in the annual report. It is expected that all federal interest liabilities will be paid.		<u>\$ -</u>	<u>\$ -</u>

EXPECTED INTEREST EXCHANGE FOR FISCAL YEAR 2023 \$ (827,162)

**STATE OF TENNESSEE
EXHIBIT A - SCHEDULE OF CMIA COVERAGE
STATE FISCAL YEAR 2023**

AL/CFDA	Federal Program	State Recipient Agency	Expenditures for Threshold Calculation (1)	Actual 2023 Expenditures
10.542	Pandemic EBT Food Benefits	DHS	\$ 1,113,826,641	\$ 323,443,419
10.551	Supplemental Nutrition Assistance Program	DHS	1,383,413,506	1,837,228,445
10.553	National School Breakfast Program	Education	122,179,340	121,633,591
10.555	National School Lunch Program	Education	303,322,860	359,729,315
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Health	79,517,729	119,695,837
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	DHS	99,569,930	124,169,958
17.225	Unemployment Insurance-Federal	LWFD	3,246,410,361	196,287,313
20.205	Highway Planning and Construction	TDOT	960,166,661	1,113,205,894
84.010	Chapter I Programs - Local Education Agencies	Education	288,194,651	346,120,521
84.027	Special Education - State Grants	Education	250,317,666	307,227,829
84.425	Education Stabilization Fund	Education	407,207,313	1,093,719,797
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases	Health	142,604,149	113,845,081
93.558	Temporary Assistance for Needy Families	DHS	152,100,187	257,016,187
93.575	Child Care and Development Block Grant	DHS	502,541,659	538,036,419
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development	DHS	70,584,101	69,864,371
93.659	Adoption Assistance	DCS	72,112,676	78,440,636
93.767	Children's Health Insurance Program	TennCare	304,305,242	579,252,733
93.778	Medical Assistance Program	TennCare	8,439,515,010	9,680,469,867
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Military	276,161,967	93,254,837
Grand Total			<u>\$ 18,214,051,647</u>	<u>\$ 17,352,642,050</u>

Notes:

(1) Per the Cash Management Improvement Act of 1992, the threshold for reporting is determined on amounts reported in the Schedule of Expenditure of Federal Awards (SEFA) for the fiscal year ending two years prior to the fiscal year being reported. The \$ 66,000,000 was determined on amounts reported in the June 30, 2021 SEFA.