TENNESSEE STATE FUNDING BOARD
May 9, 2016

The Tennessee State Funding Board (the "Board") met on Monday, May 9, 2016, at 11:00 a.m., in the Executive Conference Room, State Capitol, Nashville, Tennessee. The following members were present:

The Honorable Tre Hargett, Secretary of the State of Tennessee
The Honorable Justin Wilson, Comptroller of the Treasury
Commissioner Larry Martin, Department of Finance and Administration

The following members were absent:

The Honorable Bill Haslam, Governor
The Honorable David Lillard, State Treasurer

Seeing a physical quorum present, Mr. Wilson called the meeting to order and asked for approval of the minutes from the April 7, 2016, meeting. Commissioner Martin made a motion to approve the minutes. Mr. Hargett seconded the motion, and it was unanimously approved.

Mr. Wilson stated there was a need to correct and clarify the minutes from the April 7, 2016, Board meeting regarding the approval of the revisions to the State Pooled Investment Fund (SPIF) Investment Policy. Mr. Wilson made the motion to correct the minutes to reflect that the SPIF Investment Policy was effective as of the meeting date, April 7, 2016, however, there would be a transition period to bring the SPIF investments into compliance by June 30, 2016. Mr. Hargett seconded the motion, and it was unanimously approved.

Mr. Wilson then recognized Mr. Allen Borden, Assistant Commissioner, Tennessee Department of Economic and Community Development ("ECD"), to present FastTrack projects for consideration and Mr. Paul VanderMeer, Senior Advisor for Fiscal Policy, ECD, to present the FastTrack funding report. Mr. VanderMeer reported that, as of the date of the last Board meeting, the FastTrack balance was $144,971,726.35 and since that time new appropriations of $23,000,000.00 had been received; $710,835.94 in funds had been deobligated and returned to the FastTrack program; and $4,999,890.00 in new loans had been approved, which resulted in an adjusted FastTrack balance available for funding grants or loans of $163,682,672.29 as of today's meeting. Mr. VanderMeer reported that commitments had been made in the amount of $140,892,323.54, resulting in an uncommitted FastTrack balance of $22,790,348.75. Mr. VanderMeer reported that the projects to be considered at this meeting totaled $3,266,000.00, and if these projects were approved, the uncommitted balance would be $19,524,348.75, or 88.1% of FastTrack funds committed.

Mr. Borden stated that the projects were being presented to the Board because state law required that FastTrack projects in amounts exceeding $750,000 per eligible business within any three-year period be reviewed and approved by the Board. Commissioner Boyd then presented the following FastTrack projects:

- **AmeriTeam Services, LLC (TeamHealth) – Knoxville (Knox Co.)**
  FastTrack Economic Development $1,250,000

- **CKE Restaurants Holdings, Inc. – Franklin (Williamson Co.)**
  FastTrack Economic Development $2,016,000

Mr. Wilson stated that the Board received a signed letter from the Commissioner of ECD, which stated that the projects met all the statutory requirements, and a signed FastTrack Checklist for each of the projects under consideration. Mr. Wilson inquired if the information contained in the letter and checklists was true and correct. Mr. Borden responded affirmatively.

Mr. Hargett inquired as to how much of the $2,016,000 FastTrack Economic Development funds for the CKE project would be spent on relocation fees. Mr. Hargett also inquired, in relation to the CKE project, how many of the 126 new jobs being reported would be filled by people relocating from California, which is where the current headquarters is located. Jamie Stitt, Deputy Assistant Commissioner of Business Development, ECD, stated that the revised application submitted by CKE requested to utilize the FastTrack Economic Development funds for construction of the test kitchen and to retrofit office space. Mr. Borden stated that none of the FastTrack Economic Development funds would be used for relocation costs even though the funds would qualify for that use. Ms. Stitt also explained that the CKE project was projected to create more than 100 new jobs for Tennesseans. Mr. Hargett asked that, in the future, information about the number of jobs that would be filled by individuals who are relocating with the company be included in the information provided to Funding Board members. Mr. Borden said that ECD would include this information in the future. Mr. Martin asked about how CKE had made the decision to relocate the corporate headquarters to Tennessee. Mr. Borden explained that CKE had approached, and expressed interest in relocating to, the state of Tennessee.

Mr. Wilson made a motion to approve the FastTrack projects presented. Commissioner Martin seconded the motion, and it was unanimously approved.

Mr. Wilson then explained that the Comptroller's Office had, on behalf of the Funding Board, executed the five year contract with Hawkins Delafield & Wood LLP which commenced on May 1, 2016.

After requesting other business and hearing none, Mr. Wilson adjourned the meeting.

Approved on this 9th day of June 2016.

Respectfully submitted,

Sandra Thompson

Sandra Thompson
Assistant Secretary