TENNESSEE STATE FUNDING BOARD
February 16, 2017

The Tennessee State Funding Board (the "Board") met on Thursday, February 16, 2017, at 11:00 a.m., in the Legislative Plaza, Room LP-29, Nashville, Tennessee. The Honorable Justin Wilson, Comptroller, was present and presided over the meeting.

The following members were also present:

The Honorable David Lillard, State Treasurer
Commissioner Larry Martin, Department of Finance and Administration

The following members were absent:

The Honorable Bill Haslam, Governor
The Honorable Tre Hargett, Secretary of the State of Tennessee

Seeing a physical quorum present, Mr. Wilson called the meeting to order and asked for approval of the minutes from the November 17 and 29, 2016, meetings. Commissioner Martin made a motion to approve the minutes. Mr. Lillard seconded the motion, and it was unanimously approved.

Mr. Wilson then recognized Mr. Allen Borden, Assistant Commissioner of Business Development, 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 Report to State Funding Board" ("the Report"). Mr. VanderMeer reported that, as of the date of the last Board meeting, the FastTrack balance was $200,174,867.82. Since that time, $993,737.92 in funds had been deobligated and returned to the FastTrack program, $12,443,901 in new loans had been approved and $40,264.10 in funds were spent on FastTrack administrative expenses, which resulted in an adjusted FastTrack balance available for funding grants or loans of $188,684,440.64 as of the date of the Report. Mr. VanderMeer reported that commitments had been made in the amount of $157,296,235.51 resulting in an uncommitted FastTrack balance of $31,388,205.13. Mr. VanderMeer reported that the projects to be considered at this meeting totaled $3,760,000, and if these projects were approved, the committed balance would be $161,056,235.51, which represented 85.4% of the FastTrack balance, and the available uncommitted balance would be $27,628,205.13.

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. Mr. Borden then presented the following FastTrack projects:

- **LeMond Composites, LLC – Oak Ridge (Roane Co.)**
  FastTrack Economic Development $1,500,000.00

- **Williams Sausage Company, Inc. – Union City (Obion Co.)**
  FastTrack Infrastructure Development $ 417,000.00
  FastTrack Economic Development $1,843,000.00

The Board received in their packets signed letters, FastTrack checklists, and incentive acceptance forms from the acting Commissioner of ECD, Ted Townsend. Mr. Wilson inquired if the information provided in the ECD packets was true and correct, and Mr. Borden responded affirmatively. Mr. Lillard made a

motion to approve the FastTrack projects that were presented. Commissioner Martin seconded the motion, and it was unanimously approved.

Mr. Wilson then recognized Mr. VanderMeer who presented to the Board a request by ECD, pursuant to Tennessee Code Annotated § 4-3-716(g), to revise commitments of FastTrack funding. Mr. VanderMeer reported that a letter signed by Commissioner Boyd was presented to the Board requesting the Board's concurrence with ECD's request to commit up to 120% of the available balance of the FastTrack appropriations. Mr. VanderMeer explained that over the past four years, approximately 36% of the amount of commitments made by ECD had not been accepted, and based on that percentage, ECD believed that committing up to 120% of the balance was a conservative and significant step toward optimizing the FastTrack funding process. He stated that currently ECD could commit up to 110% of the available balance, and that revising this level to 120% would allow ECD to make $18-19 million in additional commitments. Mr. Wilson inquired if the acting ECD Commissioner was aware of the request and in support of it. Mr. VanderMeer responded affirmatively. Mr. Lillard reminded ECD that, according to the statute, actual expenditures at the end of the fiscal year shall not exceed any available reserves and appropriations of the FastTrack programs. Mr. VanderMeer acknowledged this and noted that ECD's request was within the guidelines set forth in statute. Mr. Lillard made a motion to approve the request. Commissioner Martin seconded the motion, and it was unanimously approved.

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

Approved on this 21st day of March 2017.

Respectfully submitted,

Sandra Thompson

Sandra Thompson
Assistant Secretary