



JASON E. MUMPOWER
Comptroller

**TENNESSEE STATE FUNDING BOARD
APRIL 20, 2021
AGENDA**

1. Call meeting to order
2. Consideration for approval of minutes from the March 22, 2021, meeting
3. Report from the Department of Economic and Community Development for approval of funding for the following FastTrack projects:
 - **MCP TN, LLC – Somerville (Fayette Co.)**
FastTrack Economic Development Grant \$ 900,000
 - **LG Electronics USA Inc – Clarksville (Montgomery Co.)**
FastTrack Job Training Assistance \$1,670,000
4. Report from the Department of Economic and Community Development on the Memphis Regional Megasite (formerly West Tennessee Megasite) project

TENNESSEE STATE FUNDING BOARD
March 22, 2021

The Tennessee State Funding Board (the “Board”) met on Monday, March 22, 2021, at 2:05 p.m., via Webex Events with certain members being physically present in the Tennessee State Capitol, Executive Conference Room, Ground Floor, Nashville, Tennessee. Interested members of the public were only able to observe and listen to the meeting through electronic means. The Honorable Jason Mumpower, Comptroller of the Treasury, was present and presided over the meeting.

The following members were also physically present:

The Honorable Tre Hargett, Secretary of State
The Honorable David Lillard, State Treasurer
Commissioner Butch Eley, Department of Finance and Administration

The following member was absent:

The Honorable Bill Lee, Governor

Having established that a physical quorum was present, Mr. Mumpower called the meeting to order and presented the minutes from the meeting held on January 25, 2021, for consideration and approval. Mr. Hargett made a motion to approve the minutes, and Mr. Eley seconded the motion. The motion was unanimously approved.

Mr. Mumpower then recognized Mr. Bob Rolfe, Commissioner of the Tennessee Department of Economic and Community Development (“ECD”), to present FastTrack projects for consideration and Mr. Paul VanderMeer, Assistant Commissioner of Administration, ECD, to present the “FastTrack Report to State Funding Board” (the “Report”). Mr. VanderMeer reported that, as of the date of the January 25, 2021, board meeting, the FastTrack balance was \$219,188,711.49. Since that time, \$7,346,768.11 in funds had been deobligated; \$549,500.00 in new grants and loans had been approved; and \$410,156.34 in funds had been spent on FastTrack administrative expenses, which resulted in an adjusted FastTrack balance available for funding grants and loans of \$225,575,823.14 as of the date of the Report. Mr. VanderMeer reported that commitments had been made in the amount of \$183,672,307.39, resulting in an uncommitted FastTrack balance of \$41,903,515.75. Mr. VanderMeer reported that the projects to be considered at this meeting totaled \$18,415,000.00, and if these projects were approved, the uncommitted balance would be \$23,488,515.75 and the total committed balance would be \$202,087,307.39, which represented 89.6% of the FastTrack balance.

Mr. Rolfe then presented the following FastTrack projects:

- **Amazon.com Services LLC – Rockford (Blount Co.)**
FastTrack Economic Development Grant \$ 1,600,000
- **Cognate Bioservices, Inc. – Memphis (Shelby Co.)**
FastTrack Job Training Assistance \$ 2,000,000
- **Eastman Chemical Company – Kingsport (Sullivan Co.)**
FastTrack Job Training Assistance \$ 1,500,000

- **CGI Federal, Inc. – Knoxville (Knox. Co.)**
FastTrack Job Training Assistance \$ 3,500,000
- **Sese Industrial Services US Corp – Chattanooga (Hamilton Co.)**
FastTrack Economic Development Grant \$ 1,500,000
- **Royal Canin US – Lebanon (Wilson Co.)**
FastTrack Economic Development Grant \$ 815,000
- **Microvast Power Solutions – Clarksville (Montgomery Co.)**
FastTrack Economic Development Grant \$ 3,000,000
- **Choate Engineering Performance – Bolivar (Hardeman Co.)**
FastTrack Economic Development Grant \$ 1,000,000
- **NTT Data Services, LLC – Nashville (Davidson Co.)**
FastTrack Job Training Assistance \$ 3,500,000

The board member packets included signed letters, FastTrack checklists, and incentive acceptance forms signed by Mr. Rolfe. Mr. Mumpower inquired if the companies that had signed the incentive acceptance forms fully understood the agreements, and Mr. Rolfe responded affirmatively. Mr. Mumpower then inquired if the checklists had been completed for each project, and Mr. Rolfe responded affirmatively. Mr. Mumpower 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 Mr. Rolfe responded affirmatively. Mr. Hargett made a motion to approve the FastTrack projects that were presented, and Mr. Eley seconded the motion. The motion was unanimously approved.

Mr. Mumpower then recognized Mr. Hargett who commended ECD staff on their professionalism, helpfulness and hard work and expressed how companies he visited shared the same praise. Mr. Hargett also inquired about a future presentation and discussion with ECD on the West Tennessee Megasite. Mr. Rolfe responded that ECD would prepare and present a report on the West Tennessee Megasite at a future funding board meeting of the board's choosing..

Mr. Mumpower then stated that the next item of the agenda was the consideration of proposals received and the approval of selection of bond counsel. Mr. Mumpower then recognized Ms. Sandra Thompson, Assistant Secretary of the Board and Director of the Division of State Government Finance ("SGF"), who presented the proposals received. Ms. Thompson stated that staff representatives participated in a discussion on Tuesday, March 9, 2021, during which the responses from potential bond counsels were reviewed. Ms. Thompson further stated that six responses had been received from the initial request for qualifications ("RFQ"), and responses from a request for proposals ("RFP") had been received from the three firms that had been short listed. Ms. Thompson then stated that the members' packets contained a memo to the Board summarizing the RFP/RFQ process along with an Attachment A outlining the strengths and weaknesses of the firms' attributes based on their response, an Attachment B providing an analysis of the pricing, and an Attachment C which was the contract in place for the current provider.

Ms. Thompson stated that SGF staff noted that strong, positive attributes were heavily weighted towards Hawkins Delafield & Wood ("HDW"), the Board's current provider, specifically regarding the depth of the legal and tax teams, institutional knowledge, and the challenges the firm cited in its response for the

future such as COVID disclosure and cybersecurity. Ms. Thompson further stated that SGF staff also noted that two of the three law firms' proposals did not demonstrate as many strong, positive attributes in the response that would compel staff to make a change from its current provider, HDW.

Ms. Thompson then stated that once the written responses to the RFP were evaluated, SGF staff examined the pricing proposals. Ms. Thompson stated that in the analysis of the pricing, staff wanted to point out that although HDW's pricing proposal for a five-year period was \$26,000 more than the next proposal, staff did not believe that this price difference would give cause to award the business and make the transition to another law firm due to the strength of HDW's written response. Ms. Thompson stated that therefore, staff recommended HDW be awarded the five-year contract and asked that the Board delegate to the Comptroller the responsibility to fix and finalize the details of the contract.

Mr. Mumpower made a motion to approve the selection of HDW as bond counsel under a five-year contract and delegate to the Office of the Comptroller the responsibility to fix and finalize the details of the contract. Mr. Eley seconded the motion, and it was unanimously approved.

Mr. Mumpower then recognized Mr. William Wood, Financial Analyst, Tennessee Comptroller of the Treasury, who presented the staff analysis of "An Economic Report to the Governor of the State of Tennessee" (the "Economic report"). Mr. Wood stated that pursuant to state law, Tennessee Code Annotated Section 9-4-5202, the Board's staff is directed to comment on the reasonableness of the estimates concerning the rate of growth of Tennessee's economy from the Tennessee econometric model published by the University of Tennessee's Boyd Center for Business and Economic Research ("CBER") in its annual Economic Report. Mr. Wood stated that this analysis was accomplished by comparing the forecast in the Economic Report with forecasts from other governmental and non-governmental organizations. Mr. Wood then reported that based upon the review, the Economic Report's estimates of nominal personal income growth of 1.80% in fiscal year 2021, 1.08% in calendar year 2021, and 4.58% in calendar year 2022, do not appear to be unreasonable.

Mr. Mumpower stated that upon receiving the report, that the Board shall make comments relating to the reasonableness of the estimate, including any different estimate the Board deems necessary. Mr. Mumpower then stated that the Board shall also enclose a list identifying state-tax and non-tax revenues sources, approved by the Attorney General. Mr. Mumpower further stated that the list was included in the Board members' packets. No further action was necessary.

Mr. Mumpower then acknowledged receipt of the "State of Tennessee Cash Management Improvement Act Annual Report State Fiscal Year 2020" by the members of the Board. No further action was necessary.

Mr. Mumpower then recognized Ms. Betsy Knotts, Director of the Division of Local Government Finance ("LGF") to present the "Annual Report on Industrial Development Board Debt for Fiscal Years 2019 and 2020" (the "Report"). Ms. Knotts stated that the Board had received the Report in their packets including a summary memo followed by back-up data. Ms. Knotts further highlighted that, according to self-reported data, there were approximately 206 active industrial development boards ("IDBs") in the state and that eighty-five percent (85%) of their debt was conduit with the remaining fifteen percent (15%) comprised of direct obligation debt to the IDBs. Ms. Knotts further explained that the IDBs conduit debt should be non-recourse to those local governments that created the IDBs. Ms. Knotts further reported that there was only one entity that issued direct obligation debt that was not currently being audited. Ms. Knotts further explained that the Division of Local Government Audit ensures that IDBs with a material amount of direct debt are audited. Ms. Knotts further explained there are difficulties in obtaining information from the IDBs but said the process should improve over time. No further action was necessary.

Mr. Mumpower then recognized Ms. Knotts, who reported on the Notice of Default by the Economic Development Growth Engine Industrial Development Board of the City of Memphis and County of Shelby, Tennessee ("EDGE"). Ms. Knotts stated that pursuant to the Board's guidelines IDBs are required to provide the Board notice of any default within fifteen (15) days of the event of the default or receipt of notice of default. Ms. Knotts reported that the letter from the president of EDGE to the Board, in the meeting packet, was dated February 5, 2021, which was late, but she stated that this was the first of its kind. Ms. Knotts further reported that EDGE missed its interest payment due January 4, 2021, for EDGE's Subordinate Tax Increment Revenue Bonds, Series 2017D. Ms. Knotts further reported that the letter stated that the Series 2017D Bonds were secured by a fourth and subordinate lien on the Tax Incremental Financing revenues and Tourism Development Zone revenues as well as a third and subordinate lien on the Tourism Surcharge Revenues. Ms. Knotts further reported that the letter clarified that the Fourth Supplemental Indenture for the Series 2017D Bonds provided that the failure to make payments on the Series D Bonds is not a default under the indenture. Ms. Knotts further explained that EDGE was not contractually in default with its bondholders, however, they were in default under state law. Ms. Knotts further noted that the reason for the default was clearly from reduced revenue streams related to the COVID-19 pandemic and response. Ms. Knotts further stated that the amount of the missed payment was \$205,218.75 and that EDGE planned to make the payment when the revenues were available.

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

Approved on this _____ day of _____ 2021.

Respectfully submitted,

Sandra Thompson
Assistant Secretary

FastTrack Report to State Funding Board

4/16/2021

1. Previous FastTrack Balance, as of Last Report	225,575,823.14
2. + New Appropriations:	0.00
3. + Newly Deobligated Funds:	0.00
4. + Funds Transferred to FastTrack:	0.00
5. - Funds Transferred from FastTrack:	0.00
6. - FastTrack Grants or Loans Approved Greater Than \$750,000:	(2,000,000.00)
7. - FastTrack Grants or Loans Approved Less Than \$750,000:	(1,487,000.00)
8. - FastTrack Administration	(186,529.31)
9. Adjusted FastTrack Balance Available for Funding FastTrack Grants or Loans:	221,902,293.83
10. Total Amount of Commitments:	206,763,178.08
11. Uncommitted FastTrack:	15,139,115.75
12. Percentage Committed:	93.2%
13. Amount of Proposed Grants or Loans:	2,570,000.00
14. Uncommitted FastTrack Balance if Proposed Grants or Loans Approved:	12,569,115.75
15. Percentage Committed:	94.3%

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:

4/16/21



Department of Economic and Community Development

Bob Rolfe
Commissioner

Bill Lee
Governor

April 20, 2021

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. MCP TN, LLC– Somerville (Fayette County)

Memphis Contract Packaging is a contract manufacturer of liquid beauty products such as shampoo, lotions and hand soaps. As a result of increased demand for sanitizing products due to the COVID-19 pandemic, foaming hand soap and hand sanitizer will also be produced at the Somerville facility.

Located at 95 Ball Park Street in Somerville, Memphis Contract Packaging will expand its operations by constructing a new space and adding new equipment. The new distribution and warehouse facility will support contract manufacturing for customers from leading consumer products companies.

MCP TN, LLC has committed to create 261 net new jobs and make a \$48,060,978 capital investment within five (5) years. The company will have an average hourly wage of \$16.06 for the new positions.



Department of Economic and Community Development

Bob Rolfe
Commissioner

Bill Lee
Governor

FastTrack Economic Development Grant Funds will help offset expenses such as building retrofit, building expansion, building improvements, roof improvements, and new construction.
(\$900,000)

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

2. LG Electronics USA Inc – Clarksville (Montgomery County)

LG Electronics USA is the North American subsidiary of LG Electronics, Inc., a \$56 billion global innovator in technology and manufacturing headquartered in South Korea. LG announced in early 2017 that Montgomery County would be home to its first washing machine manufacturing operation in the United States. Completed in 2018, the one-million-square-foot facility is believed to be the world's most advanced integrated washing machine plant.

To help meet the unprecedented U.S. demand for its top-rated washing machines, LG is increasing production by investing an additional \$20.5 million to add another shift for manufacturing. Higher production is creating 334 new jobs, bringing total LG Clarksville employment to about 1,000 this year.

The \$360 million smart factory currently has the capacity to produce more than one million front-and top-load washers per year. Integrated production operations supporting assembly include metal fabrication, plastic injection molding and painting. Complementing the factory's skilled workforce are hundreds of robots used in the material handling, parts production, sub-assembly and final assembly processes.

LG Electronics USA Inc has committed to create 334 net new jobs and make a \$20,500,000 capital investment within five (5) years. The company will have an average hourly wage of \$17.07 for the new positions.

FastTrack Job Training Assistance Program funds will be used to train the 334 new employees.
(\$1,670,000)

Total FastTrack funds for this project - \$1,670,000

Sincerely,

Bob Rolfe

BR/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	Fayette County Government	\$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):** MCP TN, 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



Date



Department of Economic and Community Development

Bob Rolfe
Commissioner

Bill Lee
Governor

April 6, 2021

INCENTIVE ACCEPTANCE FORM

This form serves as notice that MCP TN, LLC intends, in good faith, to create 261 private sector jobs in Somerville, Fayette County and make a capital investment of \$48,060,978 in exchange for incentives that will be memorialized in a grant agreement between MCP TN, LLC and the State of Tennessee. New jobs must be in addition to the company's baseline of 121 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 MCP TN, LLC's acceptance of ECD's offer set forth above and return it by July 5, 2021 to:

Tennessee Department of Economic and Community Development
Attn: Joey Viola
312 Rosa Parks Avenue, 27th Floor
Nashville, TN 37243
Joey.Viola@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: 7/8/2021



Department of Economic and Community Development

Bob Rolfe
Commissioner

Bill Lee
Governor

April 20, 2021

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 Fayette County Government for the benefit of MCP TN, LLC in the amount of \$900,000 to offset the costs MCP TN, LLC will incur in building retrofit, building expansion, building improvements, roof improvements, and new 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 jobs and capital investment. MCP TN, LLC has committed to create 261 net new jobs and make a \$48,060,978 capital investment within five (5) years. The company will have an average hourly wage of \$16.06 for the new positions. This project will have an exceptional impact.

Sincerely,

A handwritten signature in blue ink, reading "Bob Rolfe", is positioned below the "Sincerely," text.

Bob Rolfe

BR/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*	LG Electronics USA Inc	\$1,670,000	
ECONOMIC DEVELOPMENT			
TOTAL		\$1,670,000	

(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):** LG Electronics 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

☐ 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)?
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)?
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

☐ Yes ☐ No

☐ 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.

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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)?
14. Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds T.C.A. § 4-3-717(d)(1)?
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)?
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.
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

☐ Yes ☐ No

☐ Yes ☐ No

☐ Yes ☐ No

☐ Yes ☐ No

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



Commissioner of Economic and Community Development

4/16/21
Date



Department of Economic and Community Development

Bob Rolfe
Commissioner

Bill Lee
Governor

December 4, 2020

INCENTIVE ACCEPTANCE FORM

This form serves as notice that LG Electronics USA Inc intends, in good faith, to create 334 private sector jobs in Clarksville, Montgomery County and make a capital investment of \$20,500,000 in exchange for incentives that will be memorialized in a grant agreement between LG Electronics USA Inc and the State of Tennessee. New jobs must be in addition to the company's baseline of 600 jobs at the project site in Tennessee.

ECD OFFER SUMMARY

FastTrack Job Training Grant:	\$ 1,670,000
Total ECD Commitment:	\$ 1,670,000

Please sign your name in the space below to signify LG Electronics USA Inc's acceptance of ECD's offer set forth above and return it by March 4, 2021 to:

Tennessee Department of Economic and Community Development
Attn: Joey Viola
312 Rosa Parks Avenue, 27th Floor
Nashville, TN 37243
Joey.Viola@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: 12/31/2020



MRM MEGASITE

State Funding Board

MASTERED IN
TENNESSEE

4/20/2021

MEMPHIS REGIONAL MEGASITE



MEMPHIS REGIONAL MEGASITE

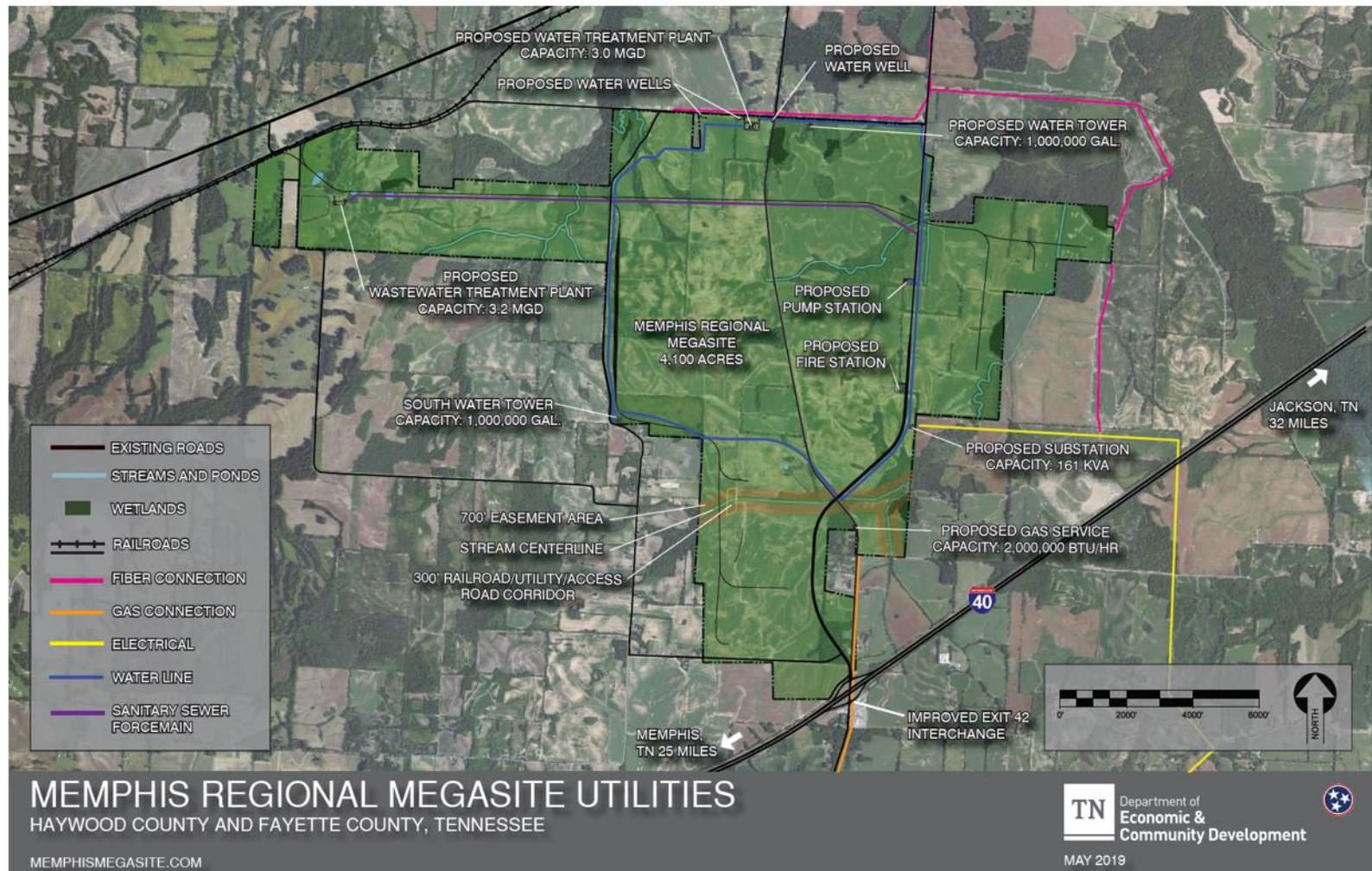
SITE INFORMATION:

- Located in Haywood and Fayette counties
- State-owned property
- Adjacent to Interstate 40
- CSX Class I rail, adjacent to site, connects the MRM to five Class I rail systems in the area
- Excellent topography with average slope of 0.7%

4100+ Acres
45 Minutes from
Memphis and
Jackson



MRM MASTER PLAN UTILITIES



MRM REGIONAL EDUCATION SNAPSHOT

WITHIN A 60-MINUTE DRIVE



12

4-Year Colleges

12

Community &
Technical Colleges

71,000+

Students Enrolled in
Higher Education Institutions

16,000+

College Graduates Annually

23,000+

High School
Graduates Annually



MRM REGIONAL LABOR FORCE SNAPSHOT

WITHIN A 60-MINUTE DRIVE

750,000

REGIONAL LABOR FORCE

1,600,000

REGIONAL POPULATION

3.8%

**UNEMPLOYED LABOR
(28,000+ TENNESSEANS)**

85.4%

**POPULATION AGE 25+
WITH HIGH SCHOOL
DIPLOMA OR HIGHER**