



JASON E. MUMPOWER  
*Comptroller*

**TENNESSEE STATE FUNDING BOARD  
OCTOBER 19, 2022  
AGENDA**

1. Call meeting to order
2. Consideration for approval of minutes from the September 8, 2022, meeting
3. Report from the Department of Economic and Community Development for approval of funding for the following FastTrack projects:
  - **Georgia-Pacific Consumer Operations LLC – Jackson (Madison County)**  
FastTrack Economic Development Grant \$2,400,000
4. Adjourn

**TENNESSEE STATE FUNDING BOARD**  
**September 8, 2022**

The Tennessee State Funding Board (the “Board”) met on Thursday, September 8, 2022, at 9:15 a.m., in the Volunteer Conference Center, Cordell Hull Building, 2<sup>nd</sup> Floor, Nashville, Tennessee. The Honorable Jason Mumpower, Comptroller of the Treasury, was present and presided over the meeting.

The following members were also present:

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

The following member was absent:

The Honorable Bill Lee, Governor

Having established that a quorum was present, Mr. Mumpower called the meeting to order and presented the minutes from the meeting held on July 26, 2022, for consideration and approval. Mr. Hargett made a motion to approve the minutes, and Mr. Bryson seconded the motion. The motion was unanimously approved.

Mr. Mumpower then recognized Mr. Stuart McWhorter, 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 July 26, 2022, Board meeting, the FastTrack balance was \$269,706,629.36. Since that time, \$422,794.40 in new funds had been appropriated, consisting of interest earned through the month of June; \$2,789,073.54 in funds had been deobligated; \$1,890,200.00 in new grants and loans had been approved; and \$943,633.04 in funds had been spent on FastTrack administrative expenses, which resulted in an adjusted FastTrack balance available for funding grants and loans of \$270,084,664.26 as of the date of the Report. Mr. VanderMeer reported that total commitments had been made in the amount of \$207,769,802.65, resulting in an uncommitted FastTrack balance of \$62,314,861.61. Mr. VanderMeer reported that the amount of proposed grants for projects to be considered at this meeting totaled \$22,525,000.00, and if these projects were approved, the uncommitted balance would be \$39,789,861.61, for a total committed balance of \$230,294,802.65, which represented 85.3% of the FastTrack balance.

Mr. McWhorter then presented the following FastTrack projects:

- **McNeilus Truck and Manufacturing, Inc. – Murfreesboro (Rutherford County)**  
FastTrack Economic Development Grant \$ 3,000,000.00
- **Bridgestone Americas Tire Operations, LLC – Morrison (Warren County)**  
FastTrack Economic Development Grant \$ 8,000,000.00
- **Symmco, Incorporated – Surgoinsville (Hawkins County)**  
FastTrack Economic Development Grant \$ 1,000,000.00

- **Hankook Tire Manufacturing Tennessee, LP – Clarksville (Montgomery County)**  
FastTrack Economic Development Grant \$ 6,000,000.00
- **Piedmont Lithium Inc. – Etowah (McMinn County)**  
FastTrack Economic Development Grant \$ 1,525,000.00
- **Wacker Chemical – Charleston (Bradley County)**  
FastTrack Economic Development Grant \$ 3,000,000.00

The Board member packets included letters and FastTrack checklists signed by Commissioner McWhorter, and incentive acceptance forms signed by company representatives. Mr. Mumpower inquired if the companies that had signed the incentive acceptance forms fully understood the agreements, and Mr. McWhorter responded affirmatively. Mr. Mumpower then inquired if the checklists had been completed for each project, and Mr. McWhorter 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 agreements, and Mr. McWhorter responded affirmatively. Mr. Hargett made a motion to approve the projects. Mr. Lillard seconded the motion, and it was unanimously approved.

Mr. Mumpower then recognized Ms. Sandra Thompson, Assistant Secretary to the Board and Director of the Division of State Government Finance (“SGF”), to present for consideration for approval a “Resolution Certifying and Authorizing the Allocation of Funds to the Sinking Fund for the 2022-2023 Fiscal Year”. Ms. Thompson stated that the resolution certified the amount of taxes and fees that would be deposited into the sinking fund to cover debt service expenses for fiscal year 2022-2023. Ms. Thompson then stated that the resolution would be effective as of July 1, 2022. Mr. Lillard made a motion to approve the resolution, and Mr. Mumpower seconded the motion. The motion was unanimously approved.

Mr. Mumpower then recognized Ms. Thompson to present for acknowledgement the cancellation of bond authorizations pursuant to Public Chapter 1133, Public Acts of Tennessee, 2022. Ms. Thompson stated that it was requested that the Board acknowledge the cancellation of a total of \$221,696,000.00 of bonds in accordance with the authority provided in Section 10, Public Chapter 1133, with an effective date of June 1, 2022. Ms. Thompson further stated that the Board members were provided the resolution that outlined the bond authorizations that were cancelled in their packets. The Board acknowledged the cancellation. No further action was necessary.

Mr. Mumpower then recognized Ms. Betsy Knotts, Director of the Division of Local Government Finance (“LGF”) to present a Report (the “Report”) on the Notice of Default by the Economic Growth Engine Industrial Development Board (“EDGE”) of Memphis and Shelby County. Ms. Knotts stated that a summary memo describing the notices of default was provided in the Board members’ packets. Ms. Knotts then reported that LGF had received two notices of default in connection with EDGE’s Series 2017C and Series 2017D Graceland Bonds. Ms. Knotts further reported that this was the third default notice for the 2017C bonds and the fourth default notice for the 2017D bonds. Ms. Knotts then stated that, based on the significant event notice posted on the MSRB website, it was her understanding that the master trustee did not intend to pursue any remedies at that time with respect to the 2017C default. Ms. Knotts further stated that the failure to make payment on the 2017D bonds was not a default under the bond indenture but was a default under state law. Ms. Knotts then reported that the total monetary value to date of the Series 2017C defaults was \$2,559,375 and \$1,100,876 for the Series 2017D defaults. Ms. Knotts then stated that during the last presentation to the Board regarding defaults by EDGE she had noted that the Series 2017A bonds could go into default. Ms. Knotts further stated that she had spoken with James McLaren, Adams and Reese LLP, who was hopeful that EDGE would be able to make the upcoming January 1, 2023, interest

payment; however, because the City TIF payment received by the Trustee prior to January 1, 2023, will not be sufficient to make the January 1, 2023 payment, EDGE's ability to make the payment will be dependent upon the amount, if any, of TDZ revenue that is received by the Trustee for the period ending June 30, 2022.

Further, even if the January 1, 2023, interest payment is made, it is anticipated that sufficient funds will not be available to make the July 1, 2023, principal and interest payment since the only other source (besides the City TIF and TDZ revenues otherwise not used for the January 1, 2023, payment) of revenue is the County TIF payment to be received by the Trustee in the first six months of 2023.

Mr. Mumpower then stated that, at the request of the local community, the state legislature had taken action during the last legislative session to try to help remedy the situation moving forward. Mr. Mumpower then asked if the people involved with the project or leadership of the community had yet to see the effect of the legislation, and if the legislation would be helpful in preventing future defaults. Ms. Knotts responded that she believed the legislation should be helpful but was not sure that they were seeing any effects as yet. Mr. Mumpower responded that the legislation had only gone into effect in July so there hadn't been much time to see its effect. No further action was necessary.

After Mr. Mumpower requested other business and heard none, Mr. Bryson made a motion to adjourn the meeting, and Mr. Lillard seconded the motion. The motion was unanimously approved, and the meeting was adjourned.

Approved on this \_\_\_\_\_ day of \_\_\_\_\_ 2022.

Respectfully submitted,

Sandra Thompson  
Assistant Secretary

# FastTrack Report to State Funding Board

10/13/2022

1. Previous FastTrack Balance, as of Last Report	270,084,664.26
2. + New Appropriations:	0.00
3. + Newly Deobligated Funds:	1,072,346.84
4. + Funds Transferred to FastTrack:	0.00
5. - Funds Transferred from FastTrack:	0.00
6. - FastTrack Grants or Loans Approved Greater Than \$750,000:	(3,000,000.00)
7. - FastTrack Grants or Loans Approved Less Than \$750,000:	(2,931,204.00)
8. - FastTrack Administration	(266,316.08)
9. Adjusted FastTrack Balance Available for Funding FastTrack Grants or Loans:	264,959,491.02
10. Total Amount of Commitments:	257,992,892.57
11. Uncommitted FastTrack:	6,966,598.45
12. Percentage Committed:	97.4%
13. Amount of Proposed Grants or Loans:	2,400,000.00
14. Uncommitted FastTrack Balance if Proposed Grants or Loans Approved:	4,566,598.45
15. Percentage Committed:	98.3%

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: 10-17-22



## Department of Economic and Community Development

Stuart McWhorter  
Commissioner

Bill Lee  
Governor

October 19, 2022

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. Georgia-Pacific Consumer Operations LLC – Jackson (Madison County)**

A subsidiary of Koch Industries, Inc., Georgia-Pacific is one of the world's leading manufacturers and marketers of bath tissue, paper towels and napkins, Dixie® disposable tableware, paper-based packaging, cellulose, specialty fibers and building products. In addition to tableware, the company manufactures other household items under the brands of Brawny®, Angel Soft®, enMotion®, Sparkle®, Vanity Fair® and Quilted Northern®. By adding a Tennessee facility, Georgia-Pacific will have a total of six operations dedicated to manufacturing Dixie® products, including four that produce plates and bowls.

Georgia-Pacific's Jackson plant will focus on manufacturing Dixie® paper plates to support the company's increase in product demand across its three Dixie® facilities. Construction on the new 900,000-square-foot facility, located on a Select Tennessee Certified Site, is slated to begin before the end of the year and anticipated to reach completion by summer 2024.

Georgia-Pacific Consumer Operations LLC has committed to create 220 net new jobs and make a \$425,000,000 capital investment within five (5) years. The company will have an average hourly wage of \$20.88 for the new positions.



## Department of Economic and Community Development

Stuart McWhorter  
Commissioner

Bill Lee  
Governor

FastTrack Economic Development Grant Funds will help offset expenses such as new construction for a total of \$2,400,000. **(\$2,400,000)**

**Total FastTrack funds for this project - \$2,400,000**

Sincerely,

A handwritten signature in blue ink, which appears to read "Stuart McWhorter", is positioned above the printed name.

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
<b>INFRASTRUCTURE</b>			
<b>TRAINING*</b>			
<b>ECONOMIC DEVELOPMENT</b>	<b>City of Jackson</b>	<b>\$2,400,000</b>	
<b>TOTAL</b>		<b>\$2,400,000</b>	

(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):** Georgia-Pacific Consumer 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

10-17-22  
Date



Department of Economic and Community Development

Bob Rolfe  
Commissioner

Bill Lee  
Governor

March 31, 2022

**INCENTIVE ACCEPTANCE FORM**

This form serves as notice that Georgia-Pacific Consumer Operations LLC intends, in good faith, to create 220 private sector jobs in Jackson, Madison County and make a capital investment of \$425,000,000 in exchange for incentives that will be memorialized in a grant agreement between Georgia-Pacific Consumer Operations 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 Economic Development Grant:	\$ 2,400,000
<b>Total ECD Commitment:</b>	<b>\$ 2,400,000</b>

Please sign your name in the space below to signify Georgia-Pacific Consumer Operations LLC's acceptance of ECD's offer set forth above and return it by June 29, 2022 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: \_\_\_\_\_

4/19/22



## Department of Economic and Community Development

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Stuart McWhorter  
Commissioner

Bill Lee  
Governor

October 19, 2022

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 City of Jackson for the benefit of Georgia-Pacific Consumer Operations LLC in the amount of \$2,400,000 to offset the costs Georgia-Pacific Consumer Operations LLC will incur in 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 high wage net new jobs and capital investment. Georgia-Pacific Consumer Operations LLC has committed to create 220 net new jobs and make a \$425,000,000 capital investment within five (5) years. The company will have an average hourly wage of \$20.88 for the new positions. This project will have an exceptional impact on this area of the state.

Sincerely,

A handwritten signature in blue ink, which appears to read "St. McWhorter", is positioned above the printed name.

Stuart McWhorter

SM/js