TENNESSEE STATE FUNDING BOARD
April 20, 2021

The Tennessee State Funding Board (the "Board") met on Tuesday, April 20, 2021, at 2:00 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 March 22, 2021, for consideration and approval. Mr. Hargett made a motion to approve the minutes, and Mr. Lillard 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 March 22, 2021, Board meeting, the FastTrack balance was $225,575,823.14. Since that time, $3,487,000.00 in new grants and loans had been approved and $186,529.31 in funds had been spent on FastTrack administrative expenses, which resulted in an adjusted FastTrack balance available for funding grants and loans of $221,902,293.83 as of the date of the Report. Mr. VanderMeer reported that commitments had been made in the amount of $206,763,178.08, resulting in an uncommitted FastTrack balance of $15,139,115.75. Mr. VanderMeer reported that the projects to be considered at this meeting totaled $2,570,000.00, and if these projects were approved, the uncommitted balance would be $12,569,115.75 and the total committed balance would be $209,333,178.08, which represented 94.3% of the FastTrack balance.

Mr. Rolfe then presented 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

The board member packets included letters and FastTrack checklists signed by Commissioner Rolfe, 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. 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. Lillard seconded the motion. The motion was unanimously approved.

Mr. Hargett then asked if there was anything that could be shared publicly regarding the Oracle North Bank development. Mr. Rolfe responded that the project was one that ECD had been working on for over two years and that Nashville Mayor John Cooper had issued a press release on the details of the project. Mr. Rolfe further stated that the project was awaiting approval from the Nashville Metropolitan Council. Mr. Rolfe then stated that Oracle would be investing approximately $1.3 billion on the 60-acre area with part of those dollars invested in infrastructure consisting of roads, sewers, sidewalks, parks, and greenspaces. Mr. Rolfe further stated that Oracle was requesting to pay $175 million upfront for the infrastructure in return for future property tax forgiveness. Mr. Rolfe stated that the area currently generates $500,000 in annual property taxes but that would increase to approximately $10,000,000 once the site was fully developed. Mr. Rolfe further stated that Oracle was proposing that half of the $10,000,000 be returned to them until the infrastructure costs were recaptured. Mr. Rolfe then stated that there would be no risk to the city and that, if approved, the development would be transformational for the state, based on ECD's return on investment analysis.

Mr. Mumpower then recognized Mr. Rolfe to present a report on the Memphis Regional Megasite (the "Megasite") (formerly West Tennessee Megasite) project. Mr. Rolfe presented an update on the Megasite highlighting the following items:

- The Megasite covers an area of 4,000 acres adjacent to Interstate 40 between the cities of Memphis and Jackson
- The Megasite project had received $175 million in funding over approximately the last 10 years for development of the site, with $75 million unspent at the time of the meeting
- There is a proposed budget request for an additional $15 million in funding
- Permits and easements had been obtained over the last two years to build a 37-mile wastewater pipeline to the Mississippi River
- At the request of Governor Lee, the Department of General Services contracted with Gresham Smith to perform a Strength, Weaknesses, Opportunities, and Threats (SWOT) analysis on the site prior to investing in additional infrastructure
- The site has been marketed to companies across the globe but there were no tenants at the time
- ECD reported that the Megasite had 30 different showings to potential tenants over ten years
- There is a company currently interested in the Megasite that has requested a standstill agreement while analyzing the site for their needs
- Challenges to the Megasite included the lack of infrastructure and wastewater discharge in the industrial park as well as other competing megasites available within the region

Further discussion on the Megasite ensued related to recruiting tenants: 1) lack of investment in infrastructure, 2) various issues needing to be addressed with regard to wastewater discharge, and 3) other weaknesses ECD has identified with marketing the Megasite. Board members also discussed the

population of working age individuals in the area to staff potential Megasite tenants. After requesting other business and hearing none, Mr. Mumpower adjourned the meeting.

Approved on this 24th day of May 2021.

Respectfully submitted,

Sandra Thompson

Sandra Thompson
Assistant Secretary