TENNESSEE STATE FUNDING BOARD
February 23, 2022

The Tennessee State Funding Board (the "Board") met on Wednesday, February 23, 2022, at approximately 11:00 a.m., in the Executive Conference Room, State Capitol Building, Ground 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 Butch Eley, Department of Finance and Administration

The following members were 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 January 19, 2022, 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 Ms. Jamie Stitt, Assistant Commissioner of Business and Workforce Development, 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 19, 2022, Board meeting, the FastTrack balance was $233,500,841.55. Since that time, $3,141,483.04 in funds had been deobligated; $2,631,753.47 in funds had been transferred from FastTrack by the Department of Finance and Administration, as a fiscal year-end closing transfer, to an allotment code for a tax credit program to cover the amount of tax credits issued in the prior fiscal year; $8,993,685.00 in new grants and loans had been approved; and $108,179.63 in funds had been spent on FastTrack administrative expenses, which resulted in an adjusted FastTrack balance available for funding grants and loans of $224,908,706.49 as of the date of the Report. Mr. VanderMeer reported that total commitments had been made in the amount of $188,947,039.41, resulting in an uncommitted FastTrack balance of $35,961,667.08. Mr. VanderMeer reported that the amount of proposed grants for projects to be considered at this meeting totaled $11,695,000.00, and if these projects were approved, the uncommitted balance would be $24,266,667.08, and the total committed balance would be $200,642,039.41, which represented 89.2% of the FastTrack balance.

Mr. Eley then inquired as to how often there are transfers from the FastTrack program. Mr. VanderMeer responded that he believed there was only one other time that a transfer had occurred. Mr. Eley then asked if there was a way to calculate the amount of tax credits to be issued to be able to plan for a future transfer, if necessary. Mr. VanderMeer stated that there were a few companies that had indicated they were going to claim the tax credit but that it was a matter of the timing of the claim. Mr. VanderMeer then stated that he would find more information for the Board. Mr. Eley then requested that there be a follow-up on the situation.

Mr. Mumpower then requested, without objection, that all five projects be presented together. Ms. Stitt then presented the following FastTrack projects:

- **Revance Therapeutics, Inc – Nashville (Davidson County)**
  FastTrack Economic Development Grant $ 1,350,000

- **Tritium Technologies LLC – Lebanon (Wilson County)**
  FastTrack Job Training Assistance Grant $ 1,020,000

- **Monogram Assembled Foods, LLC – Dickson (Dickson County)**
  FastTrack Job Training Assistance Grant $ 1,825,000

- **Fiber Composites, LLC – Columbia (Maury County)**
  FastTrack Economic Development Grant $ 3,100,000

- **3M Company – Clinton (Anderson County)**
  FastTrack Economic Development Grant $ 4,400,000

The Board member packets included letters and FastTrack checklists signed by Commissioner Bob Rolfe, ECD, 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 Ms. Stitt responded affirmatively. Mr. Mumpower then inquired if the checklists had been completed for each project, and Ms. Stitt 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 Ms. Stitt responded affirmatively. Mr. Hargett made a motion to approve the projects. Mr. Eley seconded the motion, and it was unanimously approved.

Mr. Mumpower then recognized Ms. Betsy Knotts, Director of the Division of Local Government Finance ("LGF"), who reported on a Notice of Default by the Economic Development Growth Engine Industrial Development Board of Memphis and Shelby County, Tennessee ("EDGE"). Ms. Knotts stated that LGF had received two notices of default from EDGE in connection with its Series 2017C and Series 2017D Graceland Bonds. Ms. Knotts then stated that this was the second default on the 2017C bonds, pursuant to both the indenture and state law. Ms. Knotts further stated that the monetary defaults on the 2017C bonds were interest payment defaults that totaled $1,706,250. Ms. Knotts then reported that it was the third default on the 2017D bonds pursuant to state law, but not the indenture. Ms. Knotts further reported that the monetary defaults on the 2017D bonds totaled $710,657. Ms. Knotts then stated that LGF had requested information from the bond trustee as to whether it had received any inquiries from the bondholders. The trustee responded through email and stated that only one bondholder had contacted them and requested a copy of the bond indenture. Ms. Knotts then stated that it was anticipated that there would be a monetary default on the Series 2017A Graceland Bonds, probably in the summer. Ms. Knotts then reported that EDGE had been filing disclosures onto the Electronic Municipal Market Access ("EMMA") website for the events. The bonds were secured by Tax Incremental Financing (TIF) Revenues, Tourism Development Zone (TDZ) Revenues, and Tourism Surcharge Revenues. Ms. Knotts further reported that the EDGE's current plan was to wait until the financial situation improved and then make payments as revenues became available. No further action was necessary.

Mr. Mumpower then acknowledged receipt of the "State of Tennessee Cash Management Improvement Act Annual Report State Fiscal Year 2021" by the members of the Board. No further action was necessary.

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

Approved on this 28th day of March 2022.

Respectfully submitted,

Sandra Thompson

Sandra Thompson
Assistant Secretary