



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

TENNESSEE STATE SCHOOL BOND AUTHORITY
December 13, 2019
AGENDA

1. Call meeting to order
2. Approval of minutes from the TSSBA meetings October 30, 2019, and November 26, 2019
3. Approval of Projects for:
The University of Tennessee
 - University of Tennessee Knoxville – Arena Renovations and System Improvements; Increase in cost of \$5,260,000 (\$6,260,000 increase in TSSBA Funding and a decrease of \$1,000,000 of Gifts) for total funding by the Authority of \$12,700,000 all of which will be financed from TSSBA; Term of Financing: 20 years as long-term financing at an assumed taxable rate
4. Adjourn

TENNESSEE STATE SCHOOL BOND AUTHORITY
October 30, 2019

The Tennessee State School Bond Authority (“TSSBA”, or the “Authority”) met on Wednesday, October 30, 2019, at 10:45 a.m. in the Tennessee State Capitol, Ground Floor, Executive Conference Room, Nashville, Tennessee. The Honorable David Lillard, State Treasurer, was present and presided over the meeting.

The following members were also present:

William Wood, proxy for The Honorable Justin Wilson, Comptroller of the Treasury
The Honorable Tre Hargett, Secretary of State
Angela Scott, proxy for Commissioner Stuart McWhorter, Department of Finance and Administration
Danny Gibbs, proxy for Dr. Flora Tydings, Chancellor, Tennessee Board of Regents
Ron Maples, proxy for Randy Boyd, Interim President, University of Tennessee

The following member was absent:

The Honorable Bill Lee, Governor

Recognizing a physical quorum present, Mr. Lillard called the meeting to order and asked if there were any comments or corrections for the minutes of the meeting held on August 9, 2019. Hearing none, Mr. Lillard moved approval of the minutes. Mr. Hargett seconded the motion, and the minutes were unanimously approved.

Mr. Lillard then stated that the next item on the agenda was consideration of a project from the University of Tennessee. Mr. Lillard recognized Ms. Michelle Crowder, Interim Executive Director of Capital Projects, to present the project for consideration:

- University of Tennessee Health Science Center – GMP Facility Expansion (A96); Cost: \$10,000,000 all of which will be financed from TSSBA; Term of Financing: 20 years as long-term financing at an assumed taxable rate

Mr. Lillard asked Ms. Thompson, Director of the Office of State and Local Finance (“OSLF”) if staff had reviewed the request. Ms. Thompson replied that the OSLF had reviewed the application, and that revenues appeared to be sufficient to cover the debt service. Mr. Hargett made a motion to approve the project. Mr. Lillard seconded the motion, and it was unanimously approved.

Mr. Lillard called upon Ms. Thompson for a report on the bond sale. Ms. Thompson stated the 2019 Series A and 2019 Series B Bonds were sold on August 29, 2019 and closed on September 18, 2019. Ms. Thompson added the par amount of the 2019 Series A Bonds was \$146,915,000 and the par amount of the 2019 Series B Bonds was \$60,255,000. Ms. Thompson stated the premium was \$39,604,972 for the 2019 Series A Bonds and \$338,141 for the 2019 Series B Bonds. Ms. Thompson stated the final maturity for the 2019 Series A Bonds was November 1, 2049 and November 1, 2044 for the 2019 Series B Bonds. Ms. Thompson stated the True Interest Cost (TIC) was 2.70% for the 2019 Series A Bonds and 2.53% for the 2019 Series B Bonds. Ms. Thompson stated the Underwriter’s Discount was \$221,552 for the 2019 Series A Bonds and \$510,239 for the 2019 Series B Bonds. Ms. Thompson stated the bonds were sold in two separate competitive sales and therefore, there was a different purchaser for each series of bonds.

Mr. Lillard stated the next item was the submission of the CT-0253s for the issuance of the 2019 Series A Bonds and the 2019 Series B Bonds. Mr. Lillard called upon Ms. Thompson to present the forms. Ms. Thompson stated there are separate forms for each bond issue as required by the Office of State and Local Finance and the details of each of the sales is entered on the forms. Mr. Lillard acknowledged the receipt of the CT-0253s.

Mr. Lillard called upon Ms. Thompson to present the Request for Proposal (“RFP”) for financial advisor. Ms. Thompson stated the current contract with the financial advisor expires on December 31, 2019. Ms. Thompson stated the RFP was issued on October 21, 2019 and responses were due back on November 12, 2019. Ms. Thompson added that the RFP process was conducted five years ago and there was only one

response, which was PFM, who is the current provider. Ms. Thompson stated the RFP was distributed to 14 potential candidates.

Mr. Hargett made a motion to adjourn.

The meeting was adjourned.

Approved on this _____ day of _____, 2019.

Respectfully submitted,

Sandra Thompson
Assistant Secretary

TENNESSEE STATE SCHOOL BOND AUTHORITY
November 26, 2019

The Tennessee State School Bond Authority (“TSSBA”, or the “Authority”) met on Tuesday, November 26, 2019, at 8:30 a.m. CDT in the Senate Hearing Room I, Cordell Hull Building, First Floor, Nashville, Tennessee. The Honorable Justin Wilson, Comptroller of the Treasury , was present and presided over the meeting.

The following members were also present:

The Honorable David Lillard, State Treasurer of the Treasury
The Honorable Tre Hargett, Secretary of State
Commissioner Stuart McWhorter, Department of Finance and Administration
Danny Gibbs, proxy for Dr. Flora Tydings, Chancellor, Tennessee Board of Regents

The following member participated by phone:

Ron Maples, proxy for Randy Boyd, Interim President, University of Tennessee

The following member was absent:

The Honorable Bill Lee, Governor

Recognizing a physical quorum present, Mr. Wilson called the meeting to order and asked Ms. Thompson, Director of the Office of State and Local Finance (“OSLF”) to perform a roll call:

Mr. Maples – Present
Mr. Gibbs – Present
Mr. McWhorter – Present
Mr. Lillard – Present
Mr. Wilson – Present
Mr. Hargett – Present

Mr. Wilson stated the agenda item was the consideration and approval of staff recommendation of Financial Advisor for the Tennessee State School Bond Authority. Mr. Wilson called upon Ms. Thompson to present the information. Ms. Thompson presented a memo to the board which discussed the process the OSLF staff conducted in selecting a Financial Advisor. Ms. Thompson stated staff met to review the proposal and the cost proposal. Ms. Thompson stated staff concluded that as Public Financial Management (“PFM”) was the only respondent and had met the qualifications that staff recommends PFM to be Financial Advisor for the next three years. Mr. Wilson asked Ms. Thompson if PFM was the current Financial Advisor. Ms. Thompson replied affirmatively. Mr. Wilson asked Ms. Thompson if staff was satisfied with PFM’s performance, and Ms. Thompson replied affirmatively.

Mr. Wilson asked if there were any further comments or questions. Hearing none, Mr. Lillard made a motion to approve and Mr. Hargett seconded the motion. Mr. Wilson called upon Ms. Thompson to conduct a roll call vote:

Mr. Maples – Aye
Mr. Gibbs – Aye
Mr. McWhorter – Aye
Mr. Lillard – Aye
Mr. Wilson – Aye
Mr. Hargett – Aye

The motion was unanimously approved.

Hearing no other business, Mr. Wilson moved to adjourn. Mr. Lillard seconded the motion. Mr. Wilson called upon Ms. Thompson to conduct a roll call vote:

Mr. Maples – Aye
Mr. Gibbs – Aye
Mr. McWhorter – Aye
Mr. Lillard – Aye
Mr. Wilson – Aye
Mr. Hargett – Aye

The meeting was adjourned.

Approved on this _____ day of _____, 2019.

Respectfully submitted,

Sandra Thompson
Assistant Secretary

Tennessee State School Bond Authority Feasibility Study

UTK Arena Renovations and Systems Improvements - Project Number A92

Individual Project Summary

Revenue Source:	Athletic and other campus hosted events	\$1,255,300
	Total Revenue Source:	\$1,255,300
Assumptions:	TSSBA Funding Requested	\$12,700,000
	Interest Rate	7.60%
	Tax Status	Taxable
	Term of Financing	20-Years
	Cost of Issuance	\$190,500

Feasibility Test		
	May Principal (No DSRF)	November Principal (no DSRF)
Pledged Revenues	\$1,255,300	\$1,255,300
New Max Annual Debt Service	\$1,229,094	\$1,203,546
Feasible	Yes	Yes

Prepared on November 19, 2019 by Jacqueline Felland

Project Disclosed in Budget

*TSSBA staff conducts a feasibility test on a project-by-project basis to ensure that each individual project has sufficient revenue pledged to cover the projected maximum annual debt service charged to the project. On an annual basis, and prior to the issuance of long-term debt, an assessment is performed pursuant to Article 2.01 (b) which requires that the aggregate amount of the Fees and Charges collected by an Institution in the preceding Fiscal Year is not less than two times the amount required for the payment of the aggregate of the maximum amount of Annual Financing Charges.



THE UNIVERSITY of TENNESSEE

KNOXVILLE • CHATTANOOGA • MARTIN • MEMPHIS • TULLAHOMA

OFFICE OF CAPITAL PROJECTS

November 18, 2019

Ms. Sandi Thompson, Director
Office of State and Local Finance
James K. Polk Building, 16th Floor
Nashville, TN 37243

RE: UTK Arena Renovations and Systems Improvements
SBC No. 540/009-07-2017


Ms. Thompson:

We are requesting a change in funding with additional TSSBA funds for the Arena Renovations and Systems Improvements project. The additional \$5,260,000 TSSBA funds are needed for the added scope including security upgrades, replacement of interior door hardware and exterior doors, and additional space for concession sales. Bond financing is for 20 years. The total estimated project cost is \$12,700,000. We will be presenting this project at the December 12, 2019 SBC meeting.

The project scope is for the renovation of 450,953 sf. in the Thompson Boling Arena renovations. The bond financing will be repaid with revenues generated by athletic and other campus events hosted at the arena. The project application is attached.

Your review and consideration of this request is appreciated. Please contact me if you have any questions.

Sincerely,

DocuSigned by:

E6917154A2B64F3...

Michelle L. Crowder
Interim Executive Director
Office of Capital Projects

Tennessee State School Bond Authority
UTK Arena Renovations and Systems Improvements Application

DEPARTMENT: University of Tennessee

INSTITUTION/LOCATION: Knoxville

PROJECT: UTK Arena Renovations and Systems Improvements

SBC PROJECT #: 540/009-07-2017

PROJECT BUDGET:

		Original	Revised	Total
Funding Sources:	<u>TSSBA</u>	\$6,440,000	\$6,260,000	\$12,700,000
	<u>Other: Gifts</u>	\$1,000,000	(\$1,000,000)	-0-
Total		\$7,440,000	\$5,260,000	\$12,700,000

PROJECT REVENUES: (Describe sources and projected levels)

Annual debt service to be funded by athletic and other campus events hosted at the arena. A portion of the annual arena revenue, \$1,255,300, will be pledged for the repayment of the debt service fee. The additional revenue to pay the debt will be generated through contracting more concerts and the increase in concession sales from the introduction of alcohol at these events.

PROJECT LIFE:

Anticipated Useful Life of Project: 30+ years

Desired Term for Financing (if less than useful life): 20 years

ESTIMATED ANNUAL FINANCING CHARGE: \$1,255,300

PROJECT APPROVAL DATES:

BOARD: 10/14/2016

THEC: 11/16/2016

SBC: 7/13/2017

Disclosed in the Governor's Budget: Yes No If yes, what year? 2017

PROJECT DESCRIPTION: Physical description, including land, buildings and equipment with approximate dollar value. (If a renovation or repair project, please provide information with respect to the renovated or improved portion as well as the entire structure).

This project includes renovations to star dressing rooms, meeting rooms, and media center, and the building systems will be upgraded. Also included are replacement of interior door hardware and exterior doors, and concession sales additions. In addition, the security surveillance system and access controls will be upgraded.

REAL ESTATE:

Owner of real property The University of Tennessee

 To be acquired To be leased or other arrangement

The purpose of the following questions are to determine the tax status of this project to be financed with the proceeds of Tennessee State School Bond Authority Bonds and/or Bond Anticipation Notes and the amount of private use associated with this project. Private use means the direct or indirect use of the project by any entity other than a state or local government entity, including use by the Federal Government (including its agencies and instrumentalities) or a Section 501(c)(3), (c)(4), or (c)(6) organization. When the project consists of an improvement that does not involve space that is being used directly by governmental or private users (for example, a re-roofing, air conditioning or energy efficiency improvement), all questions involving uses and users of the project should be answered by reference to all portions of the facility or facilities benefited by the improvement.

The questions below relate to the project referenced above. Attach additional sheets as required. **Please make a copy of this document for your files.**

1. Project Status: (If the project has already been completed, and the proceeds are being used to reimburse the department, please so indicate and include date of project completion.) Planning and design
2. Project completion estimated to be: 2021
3. Project Owner: University of Tennessee
4. Project Operator (see also item 8 below): University of Tennessee
5. Intended Use of the Project: To support the activities and programs of the University of Tennessee
6. Intended Users of the Project (excluding use by the general public): Students, faculty, and staff

7. Indicate whether any of the following activities will take place at the project. Indicate whether the activities are operated by a private entity or will indirectly benefit a private entity. Include all incidental private uses. For each direct or indirect private use of the project, indicate the total amount of space the private use occupies in relation to the entire project. (For example, if an area of vending machines operated by a private contractor occupies 50 square feet of a 5,000 square foot area financed, indicate the relationship in terms of the ratio of square footage used.)

Gross Square Footage of Building 450,953 (See Supporting Data Sheet if more than one building is involved.)

A. Vending Machines:

Square Footage N/A

Operator _____

Are any vending areas separated by walls, night gates, etc. so that they are under the control of the service provider/operator? _____

B. Wholesalers or retailers (e.g., Newsstand, Book Store, Pharmacy, etc.):

Square Footage N/A

Type _____

Operator _____

C. Pay Telephones:

Square Footage N/A

D. Laundry Services:

Square Footage N/A

Operator _____

Are any laundry service areas separated by walls, night gates, etc. so that they are under the control of the service provider/operator? _____

E. Cafeteria or other food services areas:

Square Footage 10 Stands totaling 12,708 SF

Operator Aramark

F. Provision of health care services:

Square Footage N/A

Operator _____

G. Laboratory research performed on behalf of or for the benefit of a private entity or pursuant to a cooperative research agreement:

Square Footage N/A

Recipient _____

H. Office space utilized by or on behalf of private entities:

Square Footage N/A

Occupant _____

I. Provision of housing for persons or entities other than enrolled students:

Square Footage N/A

8. Attach copies of any management contracts or incentive payment contracts entered into, or to be entered into, in connection with the operation of the project. (Do not include contracts for services that are solely incidental to the primary governmental functions of the facility (for example, contracts for janitorial, office equipment repair or similar services). Indicate the portion of the project to which the contracts relate. Give the usable square feet involved compared to the total usable square feet of the facility being financed. If a contract has not been entered into but is anticipated, indicate that fact.

Aramark operates the food service areas in the arena.

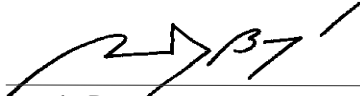
9. Will any debt proceeds be used to make or finance loans to any private entity? If so, indicate the amount of such loans, the length and payment terms of such loans: No

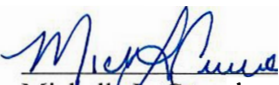
10. Indicate any expected payments (direct or indirect) to be made by non-governmental entities, separately and in the aggregate, to the State or any other governmental entity, with respect to the project.

N/A

11. Additional information not explained above. None

Completed this 15th day of November 2019


 Randy Boyd
 Interim President


 Michelle L. Crowder, Interim Executive Director
 Office of Capital Projects


 David L. Miller
 Sr Vice President and Chief Financial Officer

To be filled out by the Authority

BOND COUNSEL APPROVAL:	DATE	_____
	GOOD	_____
	5%	_____