TENNESSEE STATE SCHOOL BOND AUTHORITY
June 15, 2022

The Tennessee State School Bond Authority ("TSSBA", or the "Authority") met on Wednesday, June 15, 2022, at 11:32 a.m. in the Executive Conference Room, State Capitol, 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
Dick Tracy, proxy for Dr. Flora Tydings, Chancellor, Tennessee Board of Regents
David Miller, proxy for Randy Boyd, President, University of Tennessee

The following members were absent:

The Honorable Bill Lee, Governor

Recognizing a physical quorum present, Mr. Mumpower called the meeting to order. Mr. Mumpower stated that, in light of recent legislation passed by the General Assembly, commencing July 1, 2022, all board and commission meetings staffed by the office of the Comptroller of the Treasury will be held in the Volunteer Conference Center on the 2nd Floor of the Cordell Hull building. Mr. Mumpower explained that the Volunteer Conference Center has the equipment necessary to provide board members the ability to participate by electronic means and to make a live audio and video recording of the meetings through Microsoft Teams to be posted on the board's website within three days after the meeting as required by law. Mr. Mumpower also welcomed Mr. Bryson, the newly appointed Commissioner of Finance and Administration, who is attending the TSSBA meeting as a board member for the first time.

Mr. Mumpower stated that the first item on the agenda was the approval of the minutes of the meetings held on May 11, and May 23, 2022. Mr. Mumpower asked if there were any questions or discussion on the minutes. Hearing none, Mr. Hargett made a motion to approve the minutes, Mr. Miller seconded the motion, and Mr. Mumpower took the vote.

The minutes were approved unanimously.

Mr. Mumpower stated that the next items on the agenda were projects to be presented for approval for Middle Tennessee State University ("MTSU"). Mr. Mumpower stated that without objection both projects would be taken up as one item. Mr. Mumpower recognized Mr. Alan Thomas, Vice President for Business and Finance at MTSU, to present the requests.

- Middle Tennessee State University – Renovations to KOM and Rutledge Hall (460) (Match Project); Cost: $54,300,000, of which $790,000 will be financed by the TSSBA as a match; Term of Financing: 5 years as short-term financing at an assumed tax-exempt rate.

- Middle Tennessee State University – Aerospace Campus (461) (Match Project); Cost: $62,200,000, of which $1,658,000 will be financed by the TSSBA as a match; Term of Financing: 5 years as short-term financing at an assumed tax-exempt rate.

Mr. Thomas stated that the first project was for the renovation of Kirksey Old Main ("KOM") and Rutledge Hall buildings. Mr. Thomas explained that university plant funds in the amount of $170,000 annually would be used to repay debt. Mr. Thomas stated that MTSU planned to bring the project forward to the State Building Commission ("SBC") in July. Mr. Thomas stated that the project included comprehensive renovations for both buildings which date back to the 1911 founding of the institution. Mr. Thomas explained that the scope of the work included extensive interior renovations, exterior rehabilitation and renovations, building systems replacement, site utility work, hardscaping, landscaping, demolition of the midget building attached to KOM, and small additions to KOM and Rutledge Hall. Mr. Thomas stated that

the project will provide space for mathematical sciences, computer science, data science, and the University College. Mr. Thomas stated the estimated completion was summer of 2026.

Mr. Thomas stated the second request was for the Aerospace Campus project which would provide a new campus at the Shelbyville municipal airport. Mr. Thomas explained that this project would include 130,000 square feet of academic space consisting of classrooms, class labs, lab support space, hangar space, and faculty and staff offices. Mr. Thomas explained the project would also provide site development including taxiways, aircraft tie-downs, automobile parking, site utilities, and hardscaping. Mr. Thomas stated the project included land acquisition with the purchase of a 50-acre parcel to house the academic space, and the long-term lease of approximately 20-30 acres on the airport property. Mr. Thomas explained that the leased property would be inside the secured perimeter of the airport. Mr. Thomas stated the estimated completion was late 2025.

Mr. Mumpower asked the Division of State Government Finance ("SGF") if a feasibility analysis had been conducted on the projects. Ms. Sandi Thompson, Director of SGF, stated that a feasibility analysis had been conducted to determine that the revenues pledged on the projects were sufficient to repay the TSSBA debt service. Mr. Mumpower then asked Mr. Thomas what contingencies were in place for the projects should gifts or revenues not be received as expected. Mr. Thomas stated that MTSU brings projects forward for approval in order to begin the fundraising process. Mr. Thomas explained that donor gifts are received in larger amounts as projects are underway and under construction. Mr. Thomas also stated that MTSU had university funds to use for the projects in the event that expected gift funding did not materialize.

Mr. Mumpower asked if there was any further discussion. Hearing none, Mr. Bryson made a motion to approve the projects, Mr. Miller seconded the motion, and Mr. Mumpower took the vote.

The motion was approved unanimously.

Mr. Mumpower stated that the next item on the agenda was the consideration and approval of revisions to the TSSBA Guidelines for Requests for Approval to Borrow Money by Another Method. Mr. Mumpower recognized Ms. Thompson to present the item. Ms. Thompson stated that SGF was requesting several revisions to the guidelines in order to be consistent with similar revisions made by the Executive Subcommittee ("ESC") of the SBC to its guidelines with regards to real estate leases. Ms. Thompson outlined the following revisions to the guidelines:

- Section III item A – annual lease payment was increased from $125,000 to $250,000 per year to be consistent with the ESC guideline.
- Section III item C – the waiver of advertisement of leases was removed from the TSSBA guideline as this requirement is only under the purview of the ESC and not the TSSBA.
- Section IV item A – annual payment amount was increased from $125,000 to $250,000 per year to reduce the number of immaterial non-real estate leases currently being brought to the TSSBA.
- Section IV item B – the lease term requirement for TSSBA approval was removed from the guidelines for non-real estate leases.

Ms. Thompson stated that the purpose of the revisions was to reduce the number of immaterial leases requiring approval by the Authority and pointed out the all leases entered into by the institutions were required to be reported to the Authority on a quarterly basis.

Mr. Lillard moved approval of the revisions to the policy and Mr. Bryson seconded the motion. Mr. Mumpower asked if there were any questions or discussion on the revisions to the policy. Mr. Miller stated that the University of Tennessee ("UT") appreciated staff's work on the revisions to the policy and that it would streamline work for all involved while maintaining proper oversight. Hearing no further discussion, Mr. Mumpower took the vote.

The motion was approved unanimously.

Mr. Mumpower stated that the next item on the agenda was consideration and approval of a Resolution to Approve the Borrowing of Money by Another Method for the University of Memphis ("UoM"). Mr. Mumpower recognized Mr. Raaj Kurapati, Executive Vice President for Business & Finance and Chief Financial Officer at UoM, to present the request. Mr. Kurapati stated that the request from UoM was to lease 208 beds from the Gather property adjacent to UoM's campus. Mr. Kurapati explained that while many students currently resided at the property, some non-student residents presented safety issues to the university. Mr. Kurapati stated that the lease request would allow UoM to control one of the two buildings on the Gather property. Mr. Kurapati explained that controlling an entire building would allow UoM to house additional students and to provide appropriate security and programming in the building. Mr. Kurapati stated that the lease would be brought forward to the SBC in June. Mr. Kurapati stated that the lease would be approximately $4.5 million over three years. Mr. Kurapati stated that UoM had negotiated the rate to provide students with housing priced at or below the cost of on campus housing.

Mr. Hargett made a motion to approve the request and Mr. Lillard seconded the motion. Mr. Mumpower asked if there was any discussion regarding the request. Mr. Mumpower asked if leasing one entire building would allow UoM security to better protect students living in the apartments. Mr. Kurapati explained that leasing the entire building would allow UoM to provide security, resident assistants, and university programming in the building. Hearing no further discussion, Mr. Mumpower took the vote.

The motion was approved unanimously.

Mr. Mumpower stated that the next three items on the agenda were Resolutions to Approve the Borrowing of Money by Another Method by the University of Tennessee. Mr. Mumpower stated that without objection all three items would be taken up together. Mr. Mumpower recognized Mr. Austin Oakes, Assistant Vice President of the Office of Capital Projects at UT, to present the requests.

Mr. Oakes stated that the first request was for a lease for the University of Tennessee Health Science Center ("UTHSC") in Knoxville with Corporate Quarters. Mr. Oakes explained that the lease request was for up to 10 two-bedroom apartments for a term from August 1, 2022, to July 31, 2023. Mr. Oakes explained that this lease will serve graduate medical students on clinical rotations. Mr. Oakes stated that the estimated cost was $420,600 for the year.

Mr. Oakes stated that the second request was for a lease for the University of Tennessee at Knoxville ("UTK") with the Residence Inn Marriott Downtown in Knoxville. Mr. Oakes explained that the lease would be for up to five studio hotel rooms beginning August 20, 2022, through December 20, 2022. Mr. Oakes stated that the space would be utilized for fellowship program students through the United States Department of Agriculture ("USDA"). Mr. Oakes stated that the estimated cost of this request was $62,220.

Mr. Oakes stated that the third request was for a lease for UTK with the Holiday Inn Express Hotel and Suites for 89 hotel rooms. Mr. Oakes explained that the 89-room lease would compromise the entirety of the hotel and would have a term of July 1, 2022, through June 3, 2023. Mr. Oakes stated that having control of the entire building would allow UTK to manage the facility as they do other student housing properties, and to meet additional student housing needs. Mr. Oakes stated that the estimated cost of the lease was $3,166,086. Mr. Oakes asked if there were any questions on the requests.

Mr. Hargett moved approval of the requests and Mr. Lillard seconded the motion. Mr. Hargett asked if students would be living in the Holiday Inn property. Mr. Oakes replied that the property would be used for student housing. Mr. Hargett asked if the pricing of the rooms would be comparable to on-campus housing. Mr. Oakes replied that the cost of this housing for students would be comparable to the cost of housing in Hess Hall on UTK's campus. Mr. Oakes explained that UTK had leased this entire facility before. Mr. Hargett asked what services were available for students living off-campus. Mr. Oakes replied that students living in the facility would have breakfast served at the hotel, would have shuttle service to campus throughout the day, would have resident assistant services, and would have access to UTK and City of Knoxville emergency services as necessary.

Mr. Mumpower asked if there were any other questions or discussion. Hearing none, Mr. Mumpower took the vote.

The motion was approved unanimously.

Mr. Mumpower stated that concluded the business on the agenda and that he would entertain a motion to adjourn. Mr. Hargett made a motion to adjourn, Mr. Bryson seconded the motion, and Mr. Mumpower took the vote.

The motion was unanimously approved.

The meeting was adjourned.

Approved on this 26th day of July, 2022.

Respectfully submitted,

Sandra Thompson

Sandra Thompson
Assistant Secretary