**TENNESSEE STATE SCHOOL BOND AUTHORITY**
**November 28, 2022**

The Tennessee State School Bond Authority ("TSSBA", or the "Authority") met on Monday, November 28, 2022, at 2:10 p.m. in the Volunteer Conference Center, 2nd Floor, Cordell Hull Building, 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 David Lillard, State Treasurer

The Honorable Tre Hargett, Secretary of State

Commissioner Jim Bryson, Department of Finance and Administration
Alisha Fox, proxy for Dr. Flora Tydings, Chancellor, Tennessee Board of Regents
David Miller, proxy Randy Boyd, President, University of Tennessee

The following member was absent:

The Honorable Bill Lee, Governor

Mr. Mumpower stated that the first item on the agenda was the minutes of the October 19, 2022, meeting of the Authority. Mr. Mumpower asked if there were any questions or discussion regarding the minutes. Hearing none, Mr. Hargett made a motion to approve the minutes, Mr. Bryson seconded the motion, and Mr. Mumpower took the vote.

The minutes were approved unanimously.

Mr. Mumpower stated that the next item on the agenda was the consideration of a resolution to approve the borrowing of money by another method by the University of Tennessee ("UT") on behalf of the University of Tennessee at Knoxville ("UTK"). Mr. Mumpower recognized Mr. Austin Oakes, Assistant Vice President of the Office of Capital Projects at UT, to present the request. Mr. Oakes stated that UT was requesting approval of a lease amendment between UTK and Innovation South Partners, LLC for the property located at the UT Research Park in Knoxville. Mr. Oakes explained that the amendment would allow UTK to revise the guaranteed maximum price to $23.15 million, and to increase the guaranteed square footage to 39,422. Mr. Oakes stated that the current lease terms stated that if construction costs exceed the GMP by more than 5% than UTK would need to seek approval of a lease amendment. Mr. Oakes explained that approximately $2 million of the cost increase was due to an increase in program space with the balance being due to cost escalation in the market.

Mr. Mumpower asked what the source of funding for the lease was. Mr. Oakes replied that campus plant funds would be used to pay the lease obligation. Mr. Mumpower asked if there were any questions or comments. Hearing none, Mr. Lillard made a motion to approve the item, Mr. Bryson 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 a resolution to approve the borrowing of money by another method by the UT on behalf of UTK. Mr. Mumpower recognized Mr. Austin Oakes to present the request. Mr. Oakes stated that the request was for a lease with Bayou Park TIC LLC & Dorel Laredo TIC LLC for the Quarry Trail apartments complex. Increase in enrollment at UTK has created the need for additional bed capacity for undergraduate students. There was a 30% increase in undergraduate applications for fall 2022 over the prior year, and expectations are that fall 2023 applications will meet or exceed that amount. Mr. Oakes explained that this lease would provide 24 four-bedroom units and 24 three-bedroom units for a total of 168 beds. Mr. Oakes explained that the lease term was for one year from August 12, 2023, through July 31, 2024. Mr. Oakes explained that the estimated total cost was $1,653,696.

Mr. Mumpower asked if there were any questions or discussion. Hearing none, Mr. Hargett made a motion to approve the item, Mr. Lillard 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 a resolution to approve the borrowing of money by another method by the UT on behalf of UTK. Mr. Mumpower recognized Mr. Austin Oakes to present the request. Mr. Oakes stated that the request was for a lease for UTK with Magnolia Cherokee Mills LP at 2200 Sutherland Avenue in Knoxville. Mr. Oakes explained that the lease would provide 36,618 square feet of suite space for departments being relocated due to construction of the new Haslam College of Business Building. Mr. Oakes stated that the lease term was for 5 years with varying start dates based on the date the suites become available. Mr. Oakes stated that the estimated total cost was $770,629.25 per year.

Mr. Mumpower asked if there were any questions or discussion. Hearing none, Mr. Lillard made a motion to approve the item, Mr. Bryson 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 a resolution to approve the borrowing of money by another method by the UT on behalf of UTK. Mr. Mumpower recognized Mr. Austin Oakes to present the request. Mr. Oakes stated that the request was for a lease for UTK with University Health System, Inc. ("UHS"). Mr. Oakes explained that the lease would provide 15,138 square feet for the provision of ambulatory care and research. The lease will provide space for UT faculty, staff and students with access to research labs and classroom-based and hands-on learning facilities essential to the development and implementation of real-world orthopaedic solutions. Mr. Oakes stated that the lease term was for 10 years with a total annual estimated cost of $399,340.

Mr. Mumpower asked if there were any questions or discussion. Hearing none, Mr. Hargett made a motion to approve the item, Mr. Lillard 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 a resolution to approve the borrowing of money by another method by Tennessee State University ("TSU"). Mr. Mumpower recognized Mr. Douglas Allen, Vice President of Business and Finance and Chief Financial Officer at TSU, and Ms. Allison Letcher, Associate General Counsel at TSU. Mr. Allen stated that TSU was requesting a five-year lease of the Jefferson Flats apartments complex for an annual rent of $440,000. Mr. Allen stated that the property would house 68 students in 34 bedrooms. Mr. Allen explained that the property was originally targeted by TSU in 2021 for student housing.

Mr. Hargett made a motion to approve the request and Mr. Bryson seconded the motion. Mr. Mumpower asked if the housing was for graduate students. Mr. Allen replied that the housing is intended to be for graduate students; however, the housing would be used for undergraduate students in the spring of 2023 and would transition to graduate student housing in the fall of 2023. Mr. Mumpower asked if revenues generated from the student dormitory fees would cover the lease expense of the apartments. Mr. Allen replied that was correct and that plant funds would not be used to subsidize the cost of the housing. 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 authorizing and providing with respect to the second amended and restated revolving credit agreement. Mr. Mumpower recognized Ms. Sandi Thompson, Director of the Division of State Government Finance (SGF) to present the request. Ms. Thompson stated that the authority planned to execute the second amended and restated revolving credit agreement as of December 1, 2022. Ms. Thompson explained that the London Interbank Offered Rate ("LIBOR") was in the process of being phased out by June 30, 2023. Ms. Thompson

stated that the Authority's current agreement utilized LIBOR as a benchmark. Ms. Thompson explained that the Authority's credit providing banks, US Bank and Wells Fargo, had offered to replace the LIBOR benchmark with the Secured Overnight Financing Rate ("SOFR") as an amendment to the agreement. Ms. Thompson stated that the banks explored other benchmarks and an extension of the agreement, but neither option was attractive given the current state of the short-term market. Ms. Thompson stated that the second amended and restated revolving credit agreement had been reviewed the Authority's bond counsel, the Tennessee Attorney General's ("AG") Office, and TSSBA staff.

Mr. Hargett moved approval of the item and Mr. Lillard seconded the motion. Mr. Mumpower asked if there were any questions or discussion. Hearing none, 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 an amendment to the financial advisor contract with PFM Financial Advisors, LLC. Mr. Mumpower recognized Ms. Thompson to present the request. Ms. Thompson stated that the current contract with PFM Financial Advisors was set to expire December 31, 2022. Ms. Thompson stated that the materials provided to staff included the final draft of amendment one to the contract that would extend the term for a one-year period from January 1, 2023, to December 31, 2023. Ms. Thompson explained that the original three-year contract allowed for two one-year extensions. Ms. Thompson stated that the services that PFM provided were essential and important to the success of the Authority. Ms. Thompson commended PFM for the excellent service they continued to provide to members and staff of the Authority. Ms. Thompson stated that it was staff's recommendation to the Authority to approve the amendment to extend the term of the contract by one year.

Mr. Hargett moved approval of the item and Mr. Bryson seconded the motion. Mr. Mumpower asked if there were any questions or discussion. Hearing none, Mr. Mumpower took the vote.

The motion was approved unanimously.

Mr. Mumpower stated that the final item on the agenda was a report on the TSSBA bond sale results. Mr. Mumpower recognized Ms. Sandi Thompson to present the results. Ms. Thompson stated that the Authority sold 2022 Series A bonds in the amount of $282,330,000, and 2022 Series B Taxable bonds in the amount of $25,235,000. Ms. Thompson stated that final maturities were November 1, 2052, on the Series A bonds and November 1, 2032, on the Series B bonds. Ms. Thompson stated that the Series A bonds had a range of yields from 3.160% to 4.590% with a true interest cost ("TIC") of 4.508%, and the Series B bonds had a range of yields from 4.630% to 5.100% with a true interest cost of 4.883%.

Mr. Mumpower asked Ms. Thompson how the interest rate compared to the most recent TSSBA bond sale. Ms. Thompson explained that the previous TSSBA bond sale in February of 2021 was a taxable refunding with a true interest cost of 2.03%.

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

The motion was approved unanimously.

The meeting was adjourned.

Approved on this 15th day of December, 2022.

Respectfully submitted,

Sandra Thompson

Sandra Thompson
Assistant Secretary