

TENNESSEE STATE SCHOOL BOND AUTHORITY
September 20, 2023

The Tennessee State School Bond Authority (“TSSBA”, or the “Authority”) met on Wednesday, September 20, 2023, at 1:05 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 physically present:

The Honorable Tre Hargett, Secretary of State
Roy West, proxy for the Honorable David H. Lillard, Jr., State Treasurer
Chad Kimes, proxy for Commissioner Jim Bryson, Department of Finance and Administration
David Miller, proxy for Randy Boyd, President, University of Tennessee
Angela Scott, proxy for Dr. Flora Tydings, Chancellor, Tennessee Board of Regents

The following member was absent:

The Honorable Bill Lee, Governor

Mr. Mumpower noted the presence of a physical quorum and called the meeting to order. Mr. Mumpower welcomed Chad Kimes as proxy for Commissioner Jim Bryson and Roy West as proxy for Treasurer Lillard to the meeting. Mr. Mumpower then stated that no requests for public comment had been received.

Mr. Mumpower stated that the first item on the agenda was the consideration and approval of the minutes from the July 25, 2023, 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. Miller seconded the motion. Mr. Mumpower asked for comments or questions on the minutes. Hearing no comments, Mr. Mumpower took the vote and 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 for Middle Tennessee State University (“MTSU”) – Azure Airport Development Sublease. Mr. Mumpower recognized Mr. Bill Waits, Assistant Vice President of Campus Planning at MTSU to present the request. Mr. Waits explained the property is located at the Shelbyville Municipal Airport and leased to Azure. Mr. Waits stated the property is directly adjacent to the existing MTSU lease of sixteen (16) acres that was previously approved by the Authority. Mr. Waits explained that as part of the sublease, Azure will construct improvements to the property which would include paved aircraft tie-downs, aprons, and taxiways. Mr. Waits stated the sublease had a term of forty (40) years, a prepayment of \$868,000 at the effective date, and a monthly base rent amount of \$61,512.03 for the first five years of the lease term or until earlier planned leasehold improvement buy-out. Mr. Waits stated the monthly base rent for years six through forty would be \$10,625. Mr. Waits stated non-auxiliary plant funds would be used for the lease payments.

Mr. Hargett made a motion to approve the request, and Mr. Mumpower seconded the motion. Mr. Mumpower asked for comments or questions on the request from MTSU. Hearing no comments, Mr. Mumpower took the vote and the motion was 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 for the University of Tennessee Knoxville (“UTK”) – 617 W Main Street Lease (the “Facility”). Mr. Mumpower recognized Mr. Austin Oakes, Assistant Vice President of the Office of Capital Projects at the University of Tennessee (“UT”) to present the request. Mr. Oakes stated the Facility is 0.3 miles from the main UT Knoxville campus and would house its Vols Online program. Mr. Oakes explained UTK was advancing its digital immersion programs globally to further enhance the academic outreach offerings. He further stated that the location provided ideal proximity for Vols Online to remain engaged with faculty and students. Mr. Oakes stated the lease was for three years with two one-year renewal options. Mr. Oakes stated that monthly rent would be \$59,550, or \$714,600

annually, with 3% annual increases beginning in year 2. Mr. Oakes stated the total rent payable under the lease, if both renewal options were exercised would be \$3,793,930.50. Mr. Oakes stated that the funding for the lease payments would be provided by UTK from non-auxiliary plant funds. Mr. Hargett made a motion to approve the request, and Mr. Mumpower seconded the motion. Mr. Mumpower asked for comments or questions on the request from UTK. Hearing no comments, Mr. Mumpower took the vote, and the motion was approved unanimously.

Mr. Mumpower stated the next item on the agenda was the presentation of the TSSBA debt report. Mr. Mumpower recognized Ms. Sandi Thompson, Director of the Division of State Government Finance ("SGF"), to present the report. Ms. Thompson stated for the Higher Educational Facilities Program there was \$906,065,000 of taxable bonds outstanding and \$891,670,000 of tax-exempt bonds outstanding for a total of \$1,797,735,000 of long-term debt outstanding. Ms. Thompson then stated that the outstanding balances of the revolving credit facility ("RCF") was \$8,971,323 of taxable RCF and \$19,902,784 of tax-exempt RCF for a total of \$28,874,107. Ms. Thompson added that the taxable one-month LIBOR/SOFR rates for the year ranged from 2.24314% to 5.69026% and the tax-exempt rates ranged from 1.79052% to 4.54821%. Ms. Thompson stated for the Qualified School Construction Bond Program there was \$177,000,000 of Series 2009 bonds outstanding and \$212,440,000 of Series 2010 bonds outstanding for a total of \$389,440,000. Ms. Thompson stated the sinking fund book value balances for Series 2009 was \$149,910,748 and \$165,776,292 for Series 2010, for a total of \$315,687,040. Mr. Mumpower stated that no action was needed and acknowledged the report.

Mr. Mumpower stated that concluded the business on the agenda. Mr. Mumpower made a motion to adjourn, and Ms. Scott seconded the motion. Mr. Mumpower took the vote, and the meeting was adjourned.

Approved on this 9th day of October, 2023.

Respectfully submitted,



Sandra Thompson
Assistant Secretary