

**TENNESSEE STATE FUNDING BOARD**  
**JANUARY 20, 2016**  
**AGENDA**

1. Call meeting to order
  
2. Approval of the minutes from the November 13 and 23, 2015 and December 21, 2015 meetings
  
3. Report from the Department of Economic and Community Development (ECD):
  - a. For approval of funding for the following projects:
    - **A.O. Smith Company – Ashland City (Cheatham County)**  
FastTrack Economic Development \$1,213,650
  
    - **Toledo Molding & Die, Inc. – Fayetteville (Lincoln County)**  
FastTrack Job Training Assistance \$ 195,000  
FastTrack Infrastructure Development \$1,555,000
  
  - b. For additional disclosure on the following project:
    - **Morgan Olson, LLC – Loudon (Loudon County)**
  
4. Adjourn

**TENNESSEE STATE FUNDING BOARD**  
**November 13, 2015**

The Tennessee State Funding Board (the “Board”) met on Friday, November 13, 2015, at 8:30 a.m., in LP-16, Legislative Plaza, Nashville, Tennessee. The following members were present:

The Honorable Tre Hargett, Secretary of the State of Tennessee  
The Honorable Justin Wilson, Comptroller of the Treasury  
The Honorable David Lillard, State Treasurer

The following members were absent:

The Honorable Bill Haslam, Governor  
Commissioner Larry Martin, Department of Finance and Administration

Seeing a physical quorum present, Mr. Wilson called the meeting to order and asked for approval of the minutes from the September 15, 2015, Board meeting. Mr. Hargett made a motion to approve the minutes. Treasurer Lillard seconded the motion, and it was unanimously approved.

Mr. Wilson recognized that Representative Curtis Johnson and Senator Randy McNally were in attendance.

Mr. Wilson then recognized Mr. David Thurman; Director, Division of Budget, Finance and Administration; who presented a report on the October 2015 revenues. Mr. Thurman stated that on an accrual basis October is the third month in the 2015-2016 fiscal year. Mr. Thurman reported that collections for October were \$970.8 million, which was 11.06% more than October 2014, and 90.7 million in excess of the budgeted estimate. General Fund collections for October were \$91.0 million more than the budgeted estimate, and the four other funds that share in the state tax collections were \$0.3 million less than the estimate. Mr. Thurman reported that sales tax collections were \$36.8 million more than the estimate for October and the growth rate for October was 7.73%. Mr. Thurman reported that franchise and excise combined collections for October were \$77.4 million, which was \$39.0 million more than the budgeted estimate of \$38.4 million; Mr. Thurman noted that this amount included a one-time corporate payment. Mr. Thurman reported that year-to-date collections for three months were \$223.3 million more than the budgeted estimate and that the general fund was over collected by \$207.8 million and the four other funds were over collected by \$15.5 million. No action was necessary.

Mr. Wilson stated that, pursuant to Tennessee Code Annotated Section 9-4-5202(e), the Board is charged with the responsibility of developing consensus ranges of estimated state revenue growth. To assist the Board in doing so, the Board invited the following economists and persons acquainted with the Tennessee revenue system to make presentations: Mr. Lee Jones of the Federal Reserve Bank of Atlanta; Dr. William Fox of the University of Tennessee Center for Business and Economic Research; Commissioner Richard Roberts of the Tennessee Department of Revenue; and Mr. Robert Currey of the legislative Fiscal Review Committee (“FRC”). The Board heard testimony regarding the State’s economy from those persons listed above.

Multiple presenters cautioned that while Tennessee’s actual tax collections in the current fiscal year are outpacing budgeted revenue estimates, there are several concerns that could impact the future growth. Such factors included concerns over Japan, one of the United States largest trade partners who recently fell into a recession; retail sales for Tennessee were only stable to flat; and lower gas prices, which currently might add to consumer income, may not continue.

Pursuant to Tennessee Code Annotated Section 9-4-5202(b), the Tennessee Department of Revenue provides to the Board estimates of growth in franchise and excise tax revenue and includes in that estimation whether the growth is recurring or non-recurring. Additionally, the Board shall, pursuant to Tennessee Code Annotated Section 9-4-5202(e), identify and report whether any growth in the franchise and excise tax revenue is recurring or non-recurring. To fulfill these statutory obligations, the Department of Revenue reported non-recurring franchise and excise tax revenue growth of \$150,000,000.

Mr. Wilson then called for presentations regarding the Tennessee Education Lottery Corporation (“TELC”) from Mr. Currey and Mr. Andy Davis, Chief Financial and Technology Officer of the TELC. Legislation in 2003 created the TELC. Pursuant to Tennessee Code Annotated Section 4-51-111(c), the Board is required to establish a projected revenue range for the “Net Lottery Proceeds” [defined in Section 4-51-102(14)] for the remainder of the current fiscal year and for the four succeeding fiscal years.

The lottery presenters reported on historical results and growth reported in previous years for the various instant and numbers games and Powerball and Mega Millions jackpot games of the Tennessee lottery program. The lottery presenters summarized recent changes for TELC and also reported on revenue and expenses for fiscal year 2015-2016 year-to-date.

Tennessee Code Annotated Section 4-51-111(c)(2)(A)(ii) requires the Board, with the assistance of the Tennessee Student Assistance Corporation (“TSAC”), to project long-term funding needs of the lottery scholarship and grant programs. These projections are necessary to determine if adjustments to lottery scholarship and grant programs are needed to prevent the funding for these programs from exceeding Net Lottery Proceeds. For this purpose, the Board heard testimony from Mr. Tim Phelps, Associate Executive Director for Grants and Scholarship Programs of Tennessee Student Assistance Corporation, who reported the projected expenditures in lottery scholarship and grant programs through the 2020-2021 academic year. The lottery-funded scholarship programs as authorized through the 2015 session of the General Assembly include Hope Scholarship, General Assembly Merit Scholarship, ASPIRE Award, Hope Access Grant, Wilder-Naifeh Technical Skills Grant, Non-traditional Student Grant, Foster Child Tuition Grant, Dual Enrollment Grant, Math & Science Teacher Loan Forgiveness Program, Helping Heroes Grant, the STEP UP Scholarship and Tennessee Student Assistance Award.

Mr. Wilson then presented a request from the Department of Education for \$23,000 from Net Lottery Proceeds for Lottery Scholarship Day for fiscal year 2016-2017, pursuant to Tennessee Code Annotated Section 4-51-111(c)(2)(B). Mr. Wilson explained that the requested funds will support improvements and enhancements for educational programs and purposes and such net proceeds shall be used to supplement, not supplant, non-lottery educational resources for educational programs and purposes. The Board recognized the request from the Department of Education and no further action was necessary.

Mr. Wilson then recognized Mr. Tim McClure, Director of Cash Management Division of the State of Tennessee Treasury Department, who discussed the disposition of the Lottery for Education Reserve. Mr. McClure reported that the Lottery for Education Reserve account was used as part of the funding mechanism for the Tennessee Promise program. Due to the funds being transferred out of the Lottery for Education Reserve account there will no longer be a need to report on this item at future Board meetings. No action was necessary.

Mr. McClure then presented a report on the State Pooled Investment Fund (“SPIF”) for the fiscal year ended June 30, 2015. Mr. McClure reported the SPIF had a monthly average of \$8.108 billion invested for the fiscal year ended June 30, 2015. Mr. McClure reported that the balances in the SPIF over the last five years have been stable. Mr. McClure reported that the dollar weighted average maturity of the SPIF for fiscal year 2014-2015 was 108 days, which was consistent with the Security and Exchange Commission’s (“SEC”) Rule 2a-7 as amended in 2010, which requires a dollar weighted average portfolio maturity of up

to 120 days and a maximum maturity of any single investment of 397 days or less. Mr. McClure reported that the SPIF met liquidity requirements of Rule 2a-7, which required no more than 5% of the portfolio can be invested in illiquid securities, at least 10% of the portfolio must be invested in daily liquid assets, and at least 30% of the portfolio must be invested in weekly liquid assets. Mr. McClure reported that the portfolio was stress tested in accordance with Rule 2a-7 and in each case it achieved positive results. Mr. McClure reported that the income earned on the portfolio during the fiscal year ended June 30, 2015 totaled \$11.1 million. Mr. McClure noted the average yields earned by asset type within the SPIF has started to increase gradually into governments and agency and CD asset types due to the forecast increase in the federal funds rate. Mr. McClure reported that the SPIF Investment Policy will need to be modified during 2016 due to the SEC's changes to Rule 2a-7 that were announced in July 2014 and funds must be in compliance with the new SEC rules no later than October 14, 2016. Because of the negative impact of some of the SEC changes, the Government Accounting Standards Board ("GASB") is considering changes to Statement 31 and has issued an exposure draft that should be finalized in early 2016. At that time, options will be presented to the Board that will allow the Board to make the necessary decisions for the SPIF going forward. Mr. McClure reported that the cost to operate the SPIF was \$4.27 million for the year ended June 30, 2015. No action was necessary.

Mr. McClure then presented a report on the Intermediate Term Investment Fund ("ITIF") for the fiscal year ended June 30, 2015. The ITIF was launched when the first participant invested \$200 million on July 22, 2013. Mr. McClure reported that as of June 30, 2015, there were no additional investments, and the one participant in the fund had scheduled withdrawals of \$40 million. Mr. McClure reported that during fiscal year 2015-2016, the average composition of the ITIF was 92.33% in US agencies and 7.67% in idle cash in the SPIF. Mr. McClure reported that the investment policy of the ITIF permits investments up to five years with an average maturity of three years and also noted that the ITIF is not designed to provide liquidity. Mr. McClure reported that during fiscal year 2015-2016, the ITIF increased in value 0.596% net of expenses. Mr. McClure stated that there were no investment policy changes anticipated during the current fiscal year. No action was necessary.

Mr. Wilson then recognized Mr. Ed Harries; Executive Director; and Ms. Danielle Brown, Controller, from the Tennessee State Veterans Home Board ("TSVHB"), who presented a report on TSVHB operations. TSVHB has three homes under operation; Murfreesboro, Humboldt and Knox County; and one home under construction in Clarksville. Ms. Brown reported that at September 2015 the TSVHB had a net loss of \$(188,174), which is due to the start-up and debt costs for the new home being built in Clarksville. Mr. Harries reported that the occupancy rate of the three homes under operation, which is over 90%, exceeded the state occupancy rate of 77.7%. Ms. Brown and Mr. Harries summarized the patient mix for each home under operation, which is a key factor and drives revenues for the homes. Ms. Brown reported on the cash balances as of October 31, 2015 for the TSVHB. Ms. Brown then reported that for the audit of fiscal year ended June 30, 2014, TSVHB received one audit finding related to internal controls in one specific area related to information technology. Ms. Brown reported that on December 3, 2014, Performance Audit issued its report on the operational efficiency and effectiveness of the TSVHB and the report included findings in three areas; disaster plans, turnover and Title VI. Mr. Brown stated that TSVHB implemented controls in all three areas related to the findings. Mr. Harries reported that the TSVH in Murfreesboro had a Tennessee Department of Health ("TDOH") survey completed in August 2015 with six minor clinical deficiencies and noted that none of the deficiencies compromised patient care. The Murfreesboro home received no deficiencies from the Department of Veterans Affairs ("VA") review in June of 2015. Mr. Harries reported that Humboldt's survey and review from TDOH and VA had zero clinical deficiencies. Mr. Harries reported that Knox County had zero deficiencies from the TDOH survey and the review from VA which indicated three minor deficiencies. No action was necessary.

After requesting other business and hearing none, Mr. Wilson recessed the meeting and stated that the Board would reconvene November 19, 2015 at 2:00 p.m. in Legislative Plaza, Room LP-29.

The Tennessee State Funding Board meeting that was scheduled to meet on November 19, 2015 was rescheduled for Monday, November 23, 2015 in LP-30 at 11:25 a.m.

**RECONVENED  
November 23, 2015  
11:25 a.m.**

The Board reconvened on November 23, 2015 at 11:25 a.m., in the Legislative Plaza, Room LP-30, Nashville, Tennessee. The following members were present:

The Honorable Tre Hargett, Secretary of State  
The Honorable Justin P. Wilson, Comptroller of the Treasury  
The Honorable David Lillard, State Treasurer  
Commissioner Larry Martin, Department of Finance and Administration

The following member was absent:

The Honorable Bill Haslam, Governor

Seeing a quorum present, Mr. Wilson called the meeting to order.

Mr. Wilson then recognized Mr. Thurman who presented the staff recommendations of the consensus recurring revenue estimates expressed in ranges of growth rates in State taxes. The consensus total tax and general fund tax revenue growth estimates displayed below do not account for the non-recurring growth of \$150,000,000 reported by the Department of Revenue at the November 13, 2015 meeting.

	<u><b>FY 2015-2016</b></u>		<u><b>FY 2016-2017</b></u>	
	<u><b>Low</b></u>	<u><b>High</b></u>	<u><b>Low</b></u>	<u><b>High</b></u>
Total State Taxes	2.80%	3.30%	2.50%	3.00%
General Fund	2.90%	3.40%	2.75%	3.25%

The Board noted that while it is difficult to precisely predict revenue ranges, they believe that these ranges are reasonable for use in state budgeting. Commissioner Martin made a motion to approve the consensus revenue estimates as recommended by staff. Comptroller Wilson seconded the motion and it was unanimously approved.

Mr. Thurman then presented the staff recommendations of the estimates of the range for Net Lottery Proceeds to be deposited in the Lottery for Education Account and used for various statutory purposes.

	<u><b>FY 2015-2016</b></u>	<u><b>FY 2016-2017</b></u>	<u><b>FY 2017-2018</b></u>	<u><b>FY 2018-2019</b></u>	<u><b>FY 2019-2020</b></u>
Low	\$341,970,000	\$348,100,000	\$352,600,000	\$357,200,000	\$361,800,000
High	\$347,024,000	\$357,600,000	\$365,800,000	\$373,100,000	\$380,600,000

Mr. Lillard made a motion to approve the estimates of the range for Net Lottery Proceeds as recommended by staff. Mr. Hargett seconded the motion and it was unanimously approved.

Mr. Wilson then presented a letter from the Tennessee Lottery Corporation notifying the Board, pursuant to Tennessee Code Annotated 4-51-111(a)(3), that TEL determined that an amount that maximizes net lottery proceeds to the State of Tennessee Lottery for Education Account is less than 35% of lottery proceeds for fiscal year 2016. No action was necessary.

Mr. Wilson then stated that the Agenda Item for approval of funding for FastTrack projects presented by the Tennessee Department of Economic and Community Development is deferred to the next Board meeting.

Mr. Wilson then recognized Mr. Charly Lyons, Executive Director, and Mr. Anthony Holt, Chairman, from Four Lake Authority/Tennessee Central Economic Alliance (“4L”). Mr. Lyons reported on highlights of 4L from the past year. Mr. Lyons noted that Community Correction Authority was preparing to open a new prison on the 4L PowerCom industrial site. No action was necessary.

Mr. Wilson then recognized Ms. Sandra Thompson, Assistant Secretary to the Board and Director of the Office of State and Local Finance, who presented a report on the State of Tennessee commercial paper (“CP”) program. Ms. Thompson summarized the following points for the period July 1, 2015 to October 31, 2015:

- The current outstanding balance for tax-exempt CP was \$307,686,000 and \$25,863,000 for taxable CP; approximately \$116,000,000 of the tax-exempt CP will be redeemed by bond proceeds.
- The interest rates for taxable CP ranged from 0.13% to 0.21% and 0.06% to 0.13% for tax-exempt CP.

No action was necessary.

Ms. Wilson then presented a report on the sale of General Obligation Bonds, 2015 Series A and 2015 Refunding Series B. Mr. Wilson reported that the par amount of the 2015 Series A new money tax-exempt bonds was \$286,275,000 and the par amount of the 2015 Series B refunding bonds was \$97,490,000. Mr. Wilson reported that the Series B refunding bonds had a present value savings of \$8,883,599. Mr. Wilson reported that Standard and Poor’s Rating Agency upgraded the outlook on the State of Tennessee debt rating from stable to positive. No action was necessary.

Mr. Wilson then presented the Report on Debt Obligation (CT-0253) for the State’s 2015 bond sale. Mr. Wilson noted that it appears that the overall costs of issuance for the bond were reasonable. No action was necessary.

Mr. Wilson then reported that a copy of the Tennessee State Funding Board’s Debt Management Policy was provide to the Board members. Mr. Wilson stated that Comptroller office staff had reviewed the policy and there were no recommended changes at this time. Mr. Wilson asked for any of the Board members had any comments on the policy and there were none. No action was necessary.

Mr. Wilson then presented for consideration and approval a “Resolution Allocating from the Debt Service Fund to the Capital Projects Fund \$1,400,000 and Canceling Authorized Bonds”. Mr. Wilson stated that this resolution was related to the cancellation of bond authorization for the West Tennessee Megasite project. Mr. Lillard made a motion to approve the resolution. Mr. Hargett seconded the motion and it was unanimously approved.

Mr. Wilson the presented for consideration and approval a “Resolution Allocating from the Internal Service Fund to the Capital Projects Funds \$3,480,000 and Canceling Authorized Bonds”. Mr. Wilson stated that his resolution was related to the cancellation of bond authorization for the Edison project. Mr. Lillard made a motion to approve the resolution. Commissioner Martin seconded the motion and it was unanimously approved.

After requesting other business and hearing none, Mr. Wilson adjourned the meeting.

Approved on this \_\_\_\_ day of \_\_\_\_\_, 2016.

Respectfully submitted,

Sandra Thompson  
Assistant Secretary

DRAFT

**TENNESSEE STATE FUNDING BOARD**  
**December 21, 2015**

The Tennessee State Funding Board (the “Board”) met on Monday, December 21, 2015, at 11:25 a.m., in LP-30, Legislative Plaza, Nashville, Tennessee. The following members were present:

The Honorable Tre Hargett, Secretary of the State of Tennessee  
The Honorable Justin Wilson, Comptroller of the Treasury  
The Honorable David Lillard, State Treasurer

The following members were absent:

The Honorable Bill Haslam, Governor  
Commissioner Larry Martin, Department of Finance and Administration

Seeing a physical quorum present, Mr. Wilson called the meeting to order.

Mr. Wilson then recognized Mr. Allen Borden, Assistant Commissioner, Tennessee Department of Economic and Community Development (“ECD”), to present FastTrack projects for consideration and Mr. Paul VanderMeer, Senior Financial Advisor, ECD, to present the FastTrack funding report. Mr. VanderMeer reported that, as of the date of the last Board meeting, the FastTrack balance was \$177,620,820.45 and since that time funds in the amount of \$53,000.00 had been deobligated and returned to the FastTrack program; and \$13,961,611 in new loans had been approved, which resulted in an adjusted FastTrack balance available for funding grants or loans of \$163,712,209.45 as of today’s meeting. Mr. VanderMeer reported that commitments in the amount of \$130,517,032.35 resulted in an uncommitted FastTrack balance of \$33,195,177.10. Mr. VanderMeer reported that the projects to be considered at this meeting totaled \$17,718,575.00, and if these projects were approved, the uncommitted balance would be \$15,476,602.10, or 90.5% of FastTrack funds committed.

Mr. Borden stated that the projects were being presented to the Board because state law required that FastTrack projects in amounts exceeding \$750,000 per eligible business within any three-year period be reviewed and approved by the Board. Mr. Borden then presented the following FastTrack projects:

- **Advanced Munitions International (AMI) – Alcoa (Blount Co)**  
FastTrack Economic Development \$ 6,050,000.00
  
- **Allied Dispatch Solutions – Johnson City (Washington Co.)**  
FastTrack Economic Development \$ 962,000.00
  
- **Eagle Bend Mfg., Inc. – Clinton (Anderson Co.)**  
FastTrack Job Training Assistance \$ 92,075.00  
FastTrack Infrastructure Development \$ 764,500.00
  
- **Lifetime Products, Inc. – Knoxville (Knox Co.)**  
FastTrack Economic Development \$ 1,650,000.00



<ul style="list-style-type: none"> <li>• <b>Morgan Olson, LLC – Loudon (Loudon Co.)</b></li> </ul>	
FastTrack Job Training Assistance	\$ 1,000,000.00
FastTrack Economic Development	\$ 1,500,000.00
<ul style="list-style-type: none"> <li>• <b>Regal Cinemas, Inc. – Knoxville (Knox. Co.)</b></li> </ul>	
FastTrack Economic Development	\$ 1,500,000.00
<ul style="list-style-type: none"> <li>• <b>Orgill, Inc. – Collierville (Shelby Co.)</b></li> </ul>	
FastTrack Economic Development	\$ 2,000,000.00
<ul style="list-style-type: none"> <li>• <b>Wonder Porcelain Group LLC – Mount Juliet (Wilson Co.)</b></li> </ul>	
FastTrack Economic Development	\$ 2,200,000.00

Mr. Wilson stated that the Board received a signed letter from Mr. Randy Boyd, Commissioner of ECD, which stated that the projects met all the statutory requirements, and a signed FastTrack Checklist for each of the projects under consideration. Mr. Wilson inquired if the information contained in the letter and checklists was true and correct, and if the signature was that of Commissioner Boyd. Mr. Borden responded affirmatively. Mr. Lillard made a motion to approve the FastTrack grants for the projects presented. Mr. Hargett seconded the motion, and it was unanimously approved.

Mr. Hargett asked if ECD included any claw back provisions in their FastTrack grant documents and Mr. Borden responded affirmatively. Mr. Borden explained that for FastTrack training grants the project must hit at least 80% of the jobs that the company committed to and if they do not hit that 80%, the claw back would kick in. Mr. Borden also stated that ECD only incentivizes net new jobs. Mr. Lillard commented that Orgill, Inc. is one of the oldest companies in Memphis-Shelby County and is a significant factor in Shelby County's economy.

Mr. Borden then noted that ECD had two items on the agenda for additional disclosure. Mr. Borden stated that Jackson Kayak, Inc. was originally presented and approved by the Board for \$1,250,000.00 for FastTrack Economic Development funds. Mr. Borden noted the new request from Jackson Kayak, Inc. is for the \$1,250,000 to be split between FastTrack Job Training Assistance funds (\$250,000.00) and FastTrack Economic Development funds (\$1,000,000.00). Mr. Borden noted that HCFS Health Care Financial Services. LLC. ("HCFS"), had a FastTrack grant approved in the amount of \$500,000.00. Although the request does not exceed the \$750,000 statutory requirement, Mr. Borden stated that ECD was notifying the Board because HCFS is a division of TeamHealth, Inc., and the Board had previously approved FastTrack grants to TeamHealth, Inc. that do exceed \$750,000.

Mr. Wilson then acknowledged receipt of a letter regarding the "Cash Management Improvement Act Annual Report" presentation to the Board, which noted there is no mandate that the report be formally presented to the Board. Mr. Wilson then noted that each member had received a copy of the "Cash Management Improvement Act Annual Report State Fiscal Year 2015". The Board acknowledged the report and no further action was required.

Mr. Wilson then recognized Mr. Steve Curry, Assistant Treasurer, who presented a proposed plan of correction for the City of Dyersburg for the city's defined benefit plan pursuant to Public Chapter 990, Acts of 2014 (codified in Tenn. Code Ann. Title 9, Chapter 3, Part 5). Mr. Curry stated that Public Chapter 990 required any political subdivision with a defined benefit plan that is not administered by the Tennessee Consolidated Retirement System ("TCRS") to follow certain requirements: (1) adopt a pension funding policy and (2) the pension funding policy should provide that the political subdivision will pay at least 100% of the Actuarially Determined Contributions ("ADC). Mr. Curry then stated there are two exceptions to Chapter 990: (1) a political subdivision not paying 100% of the ADC at June 30, 2015 shall make progress by equally increasing the percentage during the ensuing five years so that 100% funding occurs by 2012, or (2) if a political subdivision is not able to meet the equitable funding progress, then the political subdivision may submit a plan of correction with the state treasurer for consideration; the plan of correction must provide funding 100% of the ADC by 2020; and the state treasurer shall submit the plan of correction to the state funding board for approval. Mr. Curry stated that the City of Dyersburg submitted a plan of correction to the State Treasurer and the State Treasurer has reviewed the plan. Mr. Curry noted that the City of Dyersburg City Council approved a number of actions relative to the defined benefit plan which included adopting a pension funding policy, adopting a request for a plan of correction, and structural changes to their defined benefit plan. Mr. Lillard made a motion to approve the plan of correction for the City of Dyersburg, that the City of Dyersburg be required to promptly furnish to the State Treasurer any financial statement or actuarial study that is completed at any time before the year ended June 30, 2020, and that the City of Dyersburg promptly furnish to the State Treasurer any changes to its pension plan, including the results of its service sell back program and any other information the State Treasurer may request. Mr. Wilson seconded the motion and it was unanimously approved.

After requesting other business and hearing none, Mr. Wilson adjourned the meeting.

Approved on this \_\_\_\_ day of November 2015.

Respectfully submitted,

Sandra Thompson  
Assistant Secretary

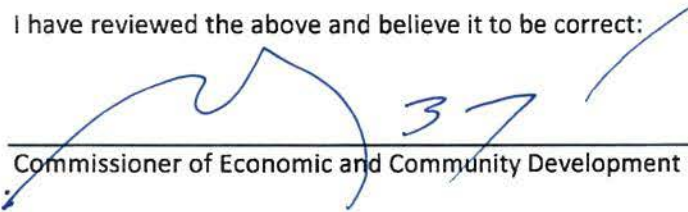
FastTrack Report to State Funding Board

1/11/2016

1. Previous FastTrack Balance, as of Last Report	163,712,209.45
2. + New Appropriations:	0.00
3. + Newly Deobligated Funds:	0.00
4. + Funds Transferred to FastTrack:	0.00
5. - Funds Transferred from FastTrack:	0.00
6. - FastTrack Grants or Loans Approved Greater Than \$750,000:	(900,000.00)
7. - FastTrack Grants or Loans Approved Less Than \$750,000:	(636,200.00)
8. Adjusted FastTrack Balance Available for Funding FastTrack Grants or Loans:	162,176,009.45
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9. Total Amount of Commitments:	145,105,603.35
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10. Uncommitted FastTrack:	17,070,406.10
11. Percentage Committed:	89.5%
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12. Amount of Proposed Grants or Loans:	2,963,650.00
13. Uncommitted FastTrack Balance if Proposed Grants or Loans Approved:	14,106,756.10
14. Percentage Committed:	91.3%

See next page for explanations of the above questions.

I have reviewed the above and believe it to be correct:

 37  
 Commissioner of Economic and Community Development

Date: 1-20-16



## Department of Economic and Community Development

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Randy Boyd  
Commissioner

Bill Haslam  
Governor

January 20, 2016

Comptroller Justin Wilson  
First Floor, State Capitol  
Nashville, TN 37243

Dear Comptroller Wilson:

The Department of Economic & Community Development (the "Department") seeks approval by the State Funding Board (the "Board") pursuant to T.C.A. § 4-3-717(a) authorizing FastTrack infrastructure, training, and economic development grants where there is a commitment by an eligible business to create or retain private sector jobs or engage in private investment or where the Commissioner of Economic and Community Development determines that such investment will have a direct impact on employment and investment opportunities in the future. The following projects meet the statutory requirements and the Department presents these projects to the Board pursuant to the mandates of T.C.A. § 4-3-717(e), which requires approval of grants and loans under the FastTrack Infrastructure Development Program, the FastTrack Job Training Assistance Program, and the FastTrack Economic Development Program that exceed \$750,000 per eligible business within a three (3) year period.

**1. A.O. Smith Corporation – Ashland City (Cheatham County)**

A.O. Smith Corporation is headquartered in Ashland City, Tennessee, home of the world's largest water heater factory. The A. O. Smith network includes five manufacturing facilities in North America, plus plants in Nanjing, China and Veldhoven, The Netherlands. In Tennessee, A.O. Smith operates locations in Ashland City, Franklin, Cookeville, Johnson City, and Lebanon.

A.O. Smith Corporation has committed to create 150 new jobs and make a \$62,660,400 capital investment within five years. The company will have an average wage rate of \$18.51 per hour for the new positions.

FastTrack Economic Development Program funds will be used to offset the cost of construction of a flood preventative measure to provide access to the facility. **(\$1,213,650)**

**Total FastTrack funds for this project - \$1,213,650**



## Department of Economic and Community Development

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Randy Boyd  
Commissioner

Bill Haslam  
Governor

### 2. Toledo Molding & Die, Inc. - Fayetteville (Lincoln County)

Toledo Molding and Die is an Ohio-based Tier 1/Tier 2 automotive supplier that specializes in molding and light assembly. Products include door consoles, power train cooling, HVAC, and underhood components. The company wants a foothold in the southeast to better serve the southeastern OEM's.

Toledo Molding & Die has committed to create 250 new jobs and make a \$20,042,000 capital investment within five years. The company will have an average wage rate of \$14.03 per hour for the new positions.

FastTrack Job Training Assistance Program funds will be used to train the new workforce needed for the expansion. **(\$195,000)**

FastTrack Economic Development Program funds will be used for installation of process equipment and relocation of machinery. **(\$1,555,000)**

**Total FastTrack funds for this project - \$1,750,000**

In conclusion, I would like to thank the Board for its assistance and continued support of ECD as we strive to create job opportunities for the citizens of our State.

Sincerely,

A handwritten signature in blue ink, appearing to read "Randy Boyd". The signature is stylized with a large "R" and "B".

Randy Boyd

RB:kl

## State Funding Board FastTrack Checklist

FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T.C.A. § 4-3-717(e).

Please identify the type of FastTrack funding requested and the grant or loan amount:

TYPE OF FUNDING	RECIPIENT ENTITY	GRANT AMOUNT	LOAN AMOUNT
INFRASTRUCTURE			
TRAINING*			
ECONOMIC DEVELOPMENT	<b>The Industrial Development Board of Cheatham County</b>	<b>\$1,213,650</b>	
<b>TOTAL</b>		<b>\$1,213,650</b>	

(Recipient entity must be a local government, their economic development organization, a political subdivision of the state, or an eligible business beneficiary [for training only].)

\*ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity): A.O. Smith Corporation

Complete the General Statutory Compliance section below and the section(s) that corresponds with the type of funding indicated above. General Statutory Compliance items apply to all types of funding represented above.

### GENERAL STATUTORY COMPLIANCE

1. Will this new commitment cause the FastTrack appropriations to be over-committed T.C.A. § 4-3-716(g)?  
If "yes," state funding board concurrence is required. Attach the commissioner's rationale used to determine the amount of actual commitments unlikely to be accepted based on historical program trends (maximum allowed is 130% of the appropriations available for new grants).  Yes  No
2. Will this new commitment place in jeopardy compliance with the legislative intent that actual expenditures and obligations to be recognized at the end of the fiscal year not exceed available reserves and appropriations of the programs T.C.A. § 4-3-716(g)?  Yes  No
3. Does this grant or loan comply with the legislative intent to distribute FastTrack funds in all areas of the state to the extent practicable T.C.A. § 4-3-716(f)?  Yes  No
4. Has the commissioner of economic and community development provided to the commissioner of finance and administration (with copies transmitted to the speaker of the house of representatives, the speaker of the senate, the chairs of the finance, ways and means committees, the state treasurer, the state comptroller, the office of legislative budget analysis, and the secretary of state) the most recent quarterly report regarding the status of the appropriations for the FastTrack fund T.C.A. § 4-3-716(h)?  Yes  No

### Identify which of the following apply:

5. a. Does the business export more than half of their products or services outside of Tennessee T.C.A. § 4-3-717(h)(1)(A)?
- b. Do more than half of the business' products or services enter into the production of exported products T.C.A. § 4-3-717(h)(1)(B)?
- c. Does the use of business' products primarily result in import substitution on the replacement of imported products or services with those produced in the state T.C.A. § 4-3-717(h)(1)(C)?
- d. Has the commissioner of economic and community development determined the business has other types of economic activity that contributes significantly to community development education and has a beneficial impact on the economy of the state T.C.A. § 4-3-717(h)(1)(D)? If "yes," attach the commissioner's rationale.

### Applicant must answer "Yes" to a or b.

6. a. Is there a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs and investment T.C.A. § 4-3-717(a)? If "yes," attach documentation.
- b. Has the commissioner of economic and community development determined that this investment will have a direct impact on employment and investment opportunities in the future T.C.A. § 4-3-717(a)? If "yes," attach the commissioner's rationale.

**TRAINING**

- 7. Will the grant support the training of new employees for locating or expanding industries *T.C.A. § 4-3-717(c)(1)*?  Yes  No
- 8. Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes *T.C.A. § 4-3-717(c)(2)*?  Yes  No

**INFRASTRUCTURE**

- 9. Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? *T.C.A. § 4-3-717(b)(2-3)*?  Yes  No
- 10. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state *T.C.A. § 4-3-717(d)(1)*?  Yes  No
- 11. In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates *T.C.A. § 4-3-717(f)*?  Yes  No

**Applicant must answer "Yes" to a or b.**

- 12. a. Will the grant or loan address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry *T.C.A. § 4-3-717(h)(2)*?
- b. Has the commissioner of economic and community development determined the funds make significant technological improvements such as digital switches or fiber optic cabling that would have a beneficial impact on the economy of this state *T.C.A. § 4-3-717(h)(2)*? If "yes," attach the commissioner's rationale.

**ECONOMIC DEVELOPMENT**

- 13. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state *T.C.A. § 4-3-717(d)(1)*?  Yes  No
- 14. Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds *T.C.A. § 4-3-717(d)(1)*?  Yes  No
- 15. Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business *T.C.A. § 4-3-717(d)(1)*?  Yes  No
- 16. Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community *T.C.A. § 4-3-717(d)(1)*? If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact.  Yes  No
- 17. The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used *T.C.A. § 4-3-717(d)(2)*. Attach documentation.

I have reviewed this document and believe it to be correct.

 37 /  
\_\_\_\_\_  
Commissioner of Economic and Community Development

1-20-16  
\_\_\_\_\_  
Date



Department of Economic and Community Development

Randy Boyd  
Commissioner

Bill Haslam  
Governor

November 5, 2015

INCENTIVE ACCEPTANCE FORM

This form serves as notice that A.O. Smith Corporation intends, in good faith, to create 150 private sector jobs and to make a capital investment of \$62,660,400 in exchange for incentives that will be memorialized in agreements between A.O. Smith Corporation, relevant local governments, and the State of Tennessee.


ECD OFFER SUMMARY

ECD's FastTrack Economic Development Grant:	\$ 1,213,650
TDOT's Commitment:	Agreed upon road improvements to SR 455
<b>Total State of Tennessee Commitment:</b>	<b>\$ 1,213,650 and road improvements</b>

Please sign your name in the space below to signify A.O. Smith Corporation's acceptance of ECD's offer set forth above and return it by February 3, 2016 to:

Tennessee Department of Economic and Community Development  
Attn: Jordan Taylor Sloan  
312 Rosa Parks Avenue, 27th floor  
Nashville, TN 37243  
jordan.taylor Sloan@tn.gov

Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form.

Signature:  Date: 11/13/15  
(Authorized Representative of Company)

SAM CARVER





## Department of Economic and Community Development

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Randy Boyd  
Commissioner

Bill Haslam  
Governor

January 20, 2016

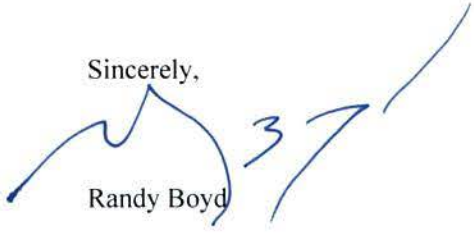
Comptroller Justin Wilson  
First Floor, State Capitol  
Nashville, TN 37243

Dear Comptroller Wilson:

Pursuant to Tennessee Code Annotated §4-3-717 (d)(1)-(2), I am writing to inform you that the Department of Economic and Community Development is awarding an Economic Development Grant to the Industrial Development Board of Cheatham County for the benefit of A.O. Smith Corporation in the amount of \$1,213,650 to offset the cost of construction of a flood preventative measure that will also provide access to the facility. The project activities would not be eligible for the FastTrack Infrastructure Development Program.

This project will yield a proportionately significant impact on the community by completing infrastructure improvements that are critical to the long-term viability of the company and the employment opportunities it provides to the community. A.O. Smith Corporation has committed to create 150 new jobs and to make a \$62,660,400 capital investment within five years. The company will have an average wage of \$18.51 per hour for the new positions. This project will have an exceptional impact on this area of the state.

Sincerely,

  
Randy Boyd

## State Funding Board FastTrack Checklist

*FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T.C.A. § 4-3-717(e).*

Please identify the type of FastTrack funding requested and the grant or loan amount:

TYPE OF FUNDING	RECIPIENT ENTITY	GRANT AMOUNT	LOAN AMOUNT
INFRASTRUCTURE			
TRAINING*	Toledo Molding & Die, Inc.	\$195,000	
ECONOMIC DEVELOPMENT	The Industrial Development Board of Fayetteville-Lincoln County	\$1,555,000	
<b>TOTAL</b>		<b>\$1,750,000</b>	

(Recipient entity must be a local government, their economic development organization, a political subdivision of the state, or an eligible business beneficiary [for training only].)

\*ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity): Toledo Molding & Die, Inc.

Complete the General Statutory Compliance section below and the section(s) that corresponds with the type of funding indicated above. General Statutory Compliance items apply to all types of funding represented above.

### GENERAL STATUTORY COMPLIANCE

1. Will this new commitment cause the FastTrack appropriations to be over-committed T.C.A. § 4-3-716(g)?  
If "yes," state funding board concurrence is required. Attach the commissioner's rationale used to determine the amount of actual commitments unlikely to be accepted based on historical program trends (maximum allowed is 130% of the appropriations available for new grants).  Yes  No
2. Will this new commitment place in jeopardy compliance with the legislative intent that actual expenditures and obligations to be recognized at the end of the fiscal year not exceed available reserves and appropriations of the programs T.C.A. § 4-3-716(g)?  Yes  No
3. Does this grant or loan comply with the legislative intent to distribute FastTrack funds in all areas of the state to the extent practicable T.C.A. § 4-3-716(f)?  Yes  No
4. Has the commissioner of economic and community development provided to the commissioner of finance and administration (with copies transmitted to the speaker of the house of representatives, the speaker of the senate, the chairs of the finance, ways and means committees, the state treasurer, the state comptroller, the office of legislative budget analysis, and the secretary of state) the most recent quarterly report regarding the status of the appropriations for the FastTrack fund T.C.A. § 4-3-716(h)?  Yes  No

### Identify which of the following apply:

5. a. Does the business export more than half of their products or services outside of Tennessee T.C.A. § 4-3-717(h)(1)(A)?
- b. Do more than half of the business' products or services enter into the production of exported products T.C.A. § 4-3-717(h)(1)(B)?
- c. Does the use of business' products primarily result in import substitution on the replacement of imported products or services with those produced in the state T.C.A. § 4-3-717(h)(1)(C)?
- d. Has the commissioner of economic and community development determined the business has other types of economic activity that contributes significantly to community development education and has a beneficial impact on the economy of the state T.C.A. § 4-3-717(h)(1)(D)? If "yes," attach the commissioner's rationale.

### Applicant must answer "Yes" to a or b.

6. a. Is there a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs and investment T.C.A. § 4-3-717(a)? If "yes," attach documentation.
- b. Has the commissioner of economic and community development determined that this investment will have a direct impact on employment and investment opportunities in the future T.C.A. § 4-3-717(a)? If "yes," attach the commissioner's rationale.

**TRAINING**

- 7. Will the grant support the training of new employees for locating or expanding industries T.C.A. § 4-3-717(c)(1)?  Yes  No
- 8. Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes T.C.A. § 4-3-717(c)(2)?  Yes  No

**INFRASTRUCTURE**

- 9. Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? T.C.A. § 4-3-717(b)(2-3)?  Yes  No
- 10. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)?  Yes  No
- 11. In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates T.C.A. § 4-3-717(f)?  Yes  No

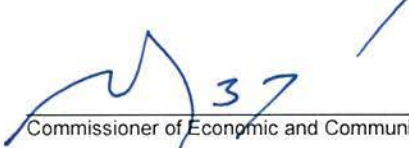
**Applicant must answer "Yes" to a or b.**

- 12. a. Will the grant or loan address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry T.C.A. § 4-3-717(h)(2)?
- b. Has the commissioner of economic and community development determined the funds make significant technological improvements such as digital switches or fiber optic cabling that would have a beneficial impact on the economy of this state T.C.A. § 4-3-717(h)(2)? If "yes," attach the commissioner's rationale.

**ECONOMIC DEVELOPMENT**

- 13. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)?  Yes  No
- 14. Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds T.C.A. § 4-3-717(d)(1)?  Yes  No
- 15. Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business T.C.A. § 4-3-717(d)(1)?  Yes  No
- 16. Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community T.C.A. § 4-3-717(d)(1)? If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact.  Yes  No
- 17. The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used T.C.A. § 4-3-717(d)(2). Attach documentation.

I have reviewed this document and believe it to be correct.

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\_\_\_\_\_  
Commissioner of Economic and Community Development

1-20-16  
\_\_\_\_\_  
Date



Department of Economic and Community Development

Randy Boyd  
Commissioner

Bill Haslam  
Governor

November 4, 2015

**INCENTIVE ACCEPTANCE FORM**

This form serves as notice that Toledo Molding and Die, Inc. intends, in good faith, to create 250 private sector jobs and make a capital investment of \$20,042,000 in exchange for incentives that will be memorialized in a grant agreement between Toledo Molding and Die, Inc. and the State of Tennessee.

**ECD OFFER SUMMARY**

FastTrack Job Training Grant:	\$ 195,000
FastTrack Economic Development Grant:	\$ 1,555,000
<b>Total ECD Commitment:</b>	<b>\$ 1,750,000</b>

Please sign your name in the space below to signify Toledo Molding and Die, Inc.'s acceptance of ECD's offer set forth above and return it by February 2, 2016 to:

Tennessee Department of Economic and Community Development  
Attn: Jordan Taylor Sloan  
312 Rosa Parks Avenue, 27th floor  
Nashville, TN 37243  
jordan.taylorsloan@tn.gov

**Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form.**

Signature: William R. Dylan, CFO  
(Authorized Representative of Company)

Date: 12/11/2015



## Department of Economic and Community Development

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Randy Boyd  
Commissioner

Bill Haslam  
Governor

January 20, 2016

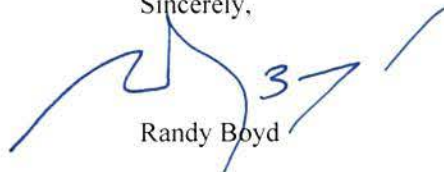
Comptroller Justin Wilson  
First Floor, State Capitol  
Nashville, TN 37243

Dear Comptroller Wilson:

Pursuant to Tennessee Code Annotated §4-3-717 (d)(1)-(2), I am writing to inform you that the Department of Economic and Community Development is awarding an Economic Development Grant to the Industrial Development Board of Fayetteville-Lincoln County for the benefit of Toledo Molding & Die, Inc. in the amount of \$1,555,000 to assist the company with installation of process equipment and relocation of machinery. The project activities would not be eligible for the FastTrack Infrastructure Development Program.

This project will yield a proportionately significant impact on the community due to the number of new jobs. Toledo Molding & Die, Inc. has committed to create 250 new jobs and to make a \$20,042,000 capital investment within five years. The company will have an average wage of \$14.03 per hour for the new positions. This project will have an exceptional impact on this area of the state.

Sincerely,



Randy Boyd



## Department of Economic and Community Development

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Randy Boyd  
Commissioner

Bill Haslam  
Governor

December 21, 2015

Comptroller Justin Wilson  
First Floor, State Capitol  
Nashville, TN 37243

Dear Comptroller Wilson:

The Department of Economic & Community Development (the "Department") seeks approval by the State Funding Board (the "Board") pursuant to T.C.A. § 4-3-717(a) authorizing FastTrack infrastructure, training, and economic development grants where there is a commitment by an eligible business to create or retain private sector jobs or engage in private investment or where the Commissioner of Economic and Community Development determines that such investment will have a direct impact on employment and investment opportunities in the future. The following projects meet the statutory requirements and the Department presents these projects to the Board pursuant to the mandates of T.C.A. § 4-3-717(e), which requires approval of grants and loans under the FastTrack Infrastructure Development Program, the FastTrack Job Training Assistance Program, and the FastTrack Economic Development Program that exceed \$750,000 per eligible business within a three (3) year period.

**1. Advanced Munitions International Holdings, LLC (AMI) – Alcoa (Blount County)**

AMI is a state-of-the-art munitions manufacturing, distribution, and research and development operation. The company will relocate its global headquarters from Payson, Arizona to Blount County on a site that is close to the McGhee Tyson Airport.

AMI has committed to create 605 new jobs and to make a \$553,000,000 capital investment within five years. The company will have an average wage rate of \$35.65 per hour for the new positions.

FastTrack Economic Development Program funds will be used to assist with corporate staff and equipment relocation, as well as construction of the new manufacturing facility. **(\$6,050,000)**

**Total FastTrack funds for this project - \$6,050,000**

**2. Allied Dispatch Solutions- Johnson City (Washington County)**

Allied Dispatch Solutions provides emergency dispatch services through an inbound call center. The company is seeking to expand their corporate headquarters and inbound call center in Johnson City due to increased demand. By the end of 2015, Allied Dispatch Solutions will be the nation's 4th largest roadside services company.



## Department of Economic and Community Development

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Randy Boyd  
Commissioner

Bill Haslam  
Governor

Allied Dispatch Solutions has committed to create 481 new jobs and to make a \$3,830,000 capital investment within five years. The company will have an average wage rate of \$13.70 per hour for the new positions.

FastTrack Economic Development Program funds will be used for building retrofit, as well as constructing a headquarters in a Downtown Revitalization Project. **(\$962,000)**

**Total FastTrack funds for this project - \$962,000**

### 3. **Eagle Bend Mfg., Inc. - Clinton (Anderson County)**

Eagle Bend, an operating unit of Magna Cosma International, is an automotive body parts and systems manufacturer, focusing on stamping, roof forming, welding, and assembly of automotive parts for the majority of the automotive manufacturers. This expansion has been created by new contracts from automotive OEM's.

Eagle Bend has committed to create 127 new jobs and to make a \$54,137,000 capital investment within five years. The company will have an average wage rate of \$20.33 per hour for the new positions.

FastTrack Job Training Assistance Program funds will be used to train the new workforce needed for the expansion. **(\$92,075)**

FastTrack Infrastructure Development Program funds will be used to upgrade sewer lines and install new lines to the wastewater treatment plant. Companies that will most benefit will be 3M, Eagle Bend, Techmer PM, and Carlisle Tire. **(\$764,500)**

**Total FastTrack funds for this project - \$856,575**

### 4. **Lifetime Products, Inc. - Knoxville (Knox County)**

Lifetime Products is looking to move their watersports manufacturing line to the southeastern United States. The company supplies Costco, Sams, Academy, Dicks, and Cabelas with kayaks and paddle boards. The company has added the Outdoor Playset manufacturing line to this project, as well.

Lifetime Products has committed to create 500 new jobs and to make a \$115,791,000 capital investment within five years. The company will have an average wage of \$17.81 per hour for the new positions.

FastTrack Economic Development funds will be used for building retrofit and construction of an expansion on the existing facility. **(\$1,650,000).**

**Total FastTrack funds for this project - \$1,650,000**



## Department of Economic and Community Development

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Randy Boyd  
Commissioner

Bill Haslam  
Governor

### **5. Morgan Olson, LLC – Loudon (Loudon County)**

Morgan Olson manufactures aluminum walk-in delivery vehicles for UPS and the United States Postal Service. The company is 1 of 2 major manufacturers of walk-in vans in the US and was awarded a federal contract to build postal vehicles starting in 2016. The current facility in Sturgis, MI is at full capacity and will be unable to fulfill the volume requirements of the award.

Morgan Olson has committed to create 500 new jobs and to make a \$45,000,000 capital investment within five years. The company will have an average wage rate of \$19.21 per hour for the new positions.

FastTrack Job Training Assistance Program funds will be used to train the new workforce needed for the expansion. **(\$1,000,000)**

FastTrack Economic Development funds will be used for building retrofit. **(\$1,500,000)**.

**Total FastTrack funds for this project - \$2,500,000**

### **6. Regal Cinemas, Inc. – Knoxville (Knox County)**

Regal Cinemas' corporate headquarters is looking to move their current operations from the Halls area of Knoxville to the downtown South Waterfront in Knoxville.

Regal has committed to create 75 new jobs and to make a \$11,610,000 capital investment within five years. The company will have an average rate of \$37.95 per hour for the new positions.

FastTrack Economic Development Program funds will be used for retrofit of an existing building. **(\$1,500,000)**.

**Total FastTrack funds for this project - \$1,500,000**

### **7. Orgill, Inc. - Collierville (Shelby County)**

Orgill is the world's largest distributor of inventory to hardware stores, home improvement retailers, and lumber sales operations. The company is known not only for their big-box customers, but for being the "go-to" provider of inventory for smaller, independently owned operations. This project is an expansion of the company's worldwide headquarters.

Orgill has committed to create 115 new jobs and to make a \$19,500,000 capital investment within five years. The company will have an average wage rate of \$31.25 per hour for the new positions.

FastTrack Economic Development Program funds will be used for relocation of personnel and equipment, as well as to support construction costs of the new building. **(\$2,000,000)**





## Department of Economic and Community Development

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Randy Boyd  
Commissioner

Bill Haslam  
Governor

FastTrack Economic Development Program funds will be used for relocation of personnel and equipment, as well as to support construction costs of the new building. **(\$2,000,000)**

**Total FastTrack funds for this project - \$2,000,000**

### **8. Wonder Porcelain Group, LLC - Mount Juliet (Wilson County)**

Wonder Porcelain Group is principally involved in producing and dealing a wide range of products, such as ceramic and porcelain tile, cultured marble, cabinetry, flexible materials veneers, granite countertops, international paper board products, decorative acrylics and surfaces, painted cabinet doors, wood cabinet doors, and others. These are offered to commercial markets, including hospitality, health care, institutional, architects, and designers, as well as residential markets, including cabinet shops, builder, contractors, remodelers, developers, and kitchen and bath dealers.

Wonder Porcelain Group has committed to create 220 new jobs and to make a \$150,000,000 capital investment within five years. The company will have an average wage rate of \$15.04 per hour for the new positions.

FastTrack Economic Development Program funds will be used to support the construction costs for a new building. **(\$2,200,000)**

**Total FastTrack funds for this project - \$2,200,000**

### **Items to Note:**

#### **Jackson Kayak, Inc. - Sparta (White County)**

Jackson Kayak is a manufacturer of kayaks, coolers, and related accessories, as well as playground slides and highway safety barriers. The company has the opportunity to increase market share with competing cooler accessory companies.

Jackson Kayak has committed to create 250 new jobs and to make a \$6,500,000 capital investment within five years. The company will have an average wage rate of \$14.05 per hour for the new positions.

FastTrack Job Training Assistance Program funds will be used to train the new workforce needed for the expansion. **(\$250,000)**

FastTrack Economic Development Program funds will be used for building retrofit, improvements to the electrical and HVAC systems, parking lot resurface, roof improvements, and repairs to the water tank and sprinkler systems. **(\$1,000,000)**

**Total FastTrack funds for this project - \$1,250,000**



## Department of Economic and Community Development

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Randy Boyd  
Commissioner

Bill Haslam  
Governor

### **TeamHealth, Inc. - Louisville (Blount County)**

The company is a leading provider of clinical outsourcing services across the US. It provides physician staffing and administrative services to hospital emergency rooms and handles everything from doctor recruitment to billing, payroll, and claims management. The company provides similar services for anesthesiology, inpatient care (hospitalist), and pediatric programs. This project will expand the billing and coding operations for specialty services.

TeamHealth has committed to create 450 new jobs and to make a \$16,800,000 capital investment within five years. The company will have an average wage rate of \$18.36 per hour for the new positions.

FastTrack Job Training Assistance Program funds will be granted to HCFS Health Care Financial Services, LLC, a division of TeamHealth, to be used to train the new workforce needed for the expansion. **(\$270,000)**

FastTrack Economic Development Program funds will be used to support the construction costs for a new building. **(\$230,000)**

**Total FastTrack funds for this project - \$500,000**

In conclusion, I would like to thank the Board for its assistance and continued support of ECD as we strive to create job opportunities for the citizens of our State.

Sincerely,

A handwritten signature in black ink, appearing to read "Randy Boyd", is written over the printed name. The signature is stylized and includes a long horizontal stroke extending to the right.

Randy Boyd

RB:kl