

TENNESSEE STATE FUNDING BOARD
MAY 9, 2016
AGENDA

1. Call meeting to order

2. Approval of the minutes from the April 7, 2016, meeting

3. Restatement of motion for approval of revisions to the State Pooled Investment Fund Investment Policy

4. Report from the Department of Economic and Community Development (ECD) for approval of funding for the following projects:
 - **To Be Announced**
FastTrack Economic Development \$ 1,250,000

 - **CKE Restaurants Holdings, Inc. – Franklin (Williamson County)**
FastTrack Economic Development \$ 2,016,000

5. Adjourn

TENNESSEE STATE FUNDING BOARD
April 7, 2016

The Tennessee State Funding Board (the "Board") met on Thursday, April 7, 2016, at 3:35 p.m., in Executive Conference Room, State Capitol, 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
Commissioner Larry Martin, Department of Finance and Administration

The following members were absent:

The Honorable Bill Haslam, Governor
The Honorable David Lillard, State Treasurer

Seeing a physical quorum present, Mr. Wilson called the meeting to order and asked for approval of the minutes from the March 10, 2016, meeting. Commissioner Martin made a motion to approve the minutes. Mr. Hargett seconded the motion, and it was unanimously approved.

Mr. Wilson then recognized Ms. Sandra Thompson, Director of the Office of State and Local Finance and Assistant Secretary to the Board, to present a summary of the RFQ/RFP process and the consideration of proposals received for the selection of bond counsel. Ms. Thompson explained that in December 2015 the Board directed staff to develop a Request for Qualifications (RFQ) for firms to serve as bond counsel. The RFQ was electronically distributed on January 12, 2016, with written responses due by email on January 29, 2016. Timely responses were received from eight bond counsel firms. The RFQ responses were reviewed and discussed among staff representative of the Board and a short list of four bond counsel firms, whose submissions were considered to be the most qualified and responsive, were identified. Ms. Thompson explained that a Request for Proposal (RFP) was distributed to the four firms on February 17, 2016, along with a request for input on the terms of the proposed pricing structure. Written proposals to the RFP were due on February 26, 2016. Ms. Thompson then stated that staff representatives of the Board met to discuss the RFP responses. Ms. Thompson stated that during the review and discussion, strengths and weaknesses for each of the proposals were identified and one firm was eliminated because the proposal was more generic in nature and less responsive to the questions posed. Of the remaining firms, the proposal from Hawkins, Delafield, and Wood (HDW) stood out as the strongest and the pricing was identified as the most competitive. Mr. Wilson then commented that he had reviewed the responses to the RFP and concurred with staff's analysis. Mr. Wilson then stated that he was pleased with the current service of HDW. Mr. Wilson made a motion to allow negotiation of a five-year contract with HDW and to allow the Comptroller to execute such contract. Commissioner Martin seconded the motion, and it was unanimously approved.

Mr. Wilson then recognized Mr. Tim McClure, Director of Cash Management of the State of Tennessee Treasury Department, who presented for approval revisions to the State Pooled Investment Fund (SPIF) Investment Policy. Mr. McClure explained that in December 2015 the Governmental Account Standards Board (GASB) issued GASB 79, which laid out the guidelines for certain external investment pools to be able to operate at a stable dollar and be able to report at amortized cost. Mr. McClure stated that it has always been the intention of the SPIF to operate under the rules of GASB and that the SPIF Investment Policy presented for approval would be in full compliance with the requirements of GASB 79. Mr. McClure stated that staff would like to recommend a transition period up until July 1, 2016 to allow time for the state to move into full compliance with the proposed changes. Mr. Hargett made a motion to approve the SPIF

Investment Policy effective July 1, 2016. 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 _____ 2016.

Respectfully submitted,

Sandra Thompson
Assistant Secretary

FastTrack Report to State Funding Board

4/26/2016

| | | |
|--|----------------|----------------|
| 1. Previous FastTrack Balance, as of Last Report | 144,971,726.35 | |
| 2. + New Appropriations: | 23,000,000.00 | |
| 3. + Newly Deobligated Funds: | 710,835.94 | |
| 4. + Funds Transferred to FastTrack: | 0.00 | |
| 5. - Funds Transferred from FastTrack: | 0.00 | |
| 6. - FastTrack Grants or Loans Approved Greater Than \$750,000: | (3,000,000.00) | |
| 7. - FastTrack Grants or Loans Approved Less Than \$750,000: | (1,999,890.00) | |
| 8. Adjusted FastTrack Balance Available for Funding FastTrack Grants or Loans: | | 163,682,672.29 |

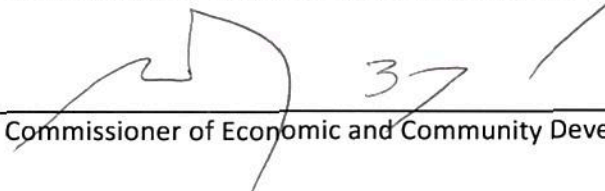
| | | |
|---------------------------------|----------------|--|
| 9. Total Amount of Commitments: | 140,892,323.54 | |
|---------------------------------|----------------|--|

| | | |
|----------------------------|--|---------------|
| 10. Uncommitted FastTrack: | | 22,790,348.75 |
| 11. Percentage Committed: | | 86.1% |

| | | |
|---|--------------|---------------|
| 12. Amount of Proposed Grants or Loans: | 3,266,000.00 | |
| 13. Uncommitted FastTrack Balance if Proposed Grants or Loans Approved: | | 19,524,348.75 |
| 14. Percentage Committed: | | 88.1% |

See next page for explanations of the above questions.

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



 Commissioner of Economic and Community Development

Date: 4-27-16



Department of Economic and Community Development

Randy Boyd
Commissioner

Bill Haslam
Governor

May 9, 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. AmeriTeam Services, LLC (TeamHealth) - Knoxville (Knox County)

AmeriTeam Services is a leading provider of clinical outsourcing services across the US. The company provides physician staffing and administrative services to hospital emergency rooms and handles doctor recruitment, billing, payroll, and claims management. The company provides similar services for anesthesiology, inpatient care (hospitalist), and pediatric programs. This project will expand the company’s corporate headquarters in Knoxville.

AmeriTeam Services, LLC has committed to create 250 new jobs and make a \$6,675,000 capital investment within five years. The company will have an average wage rate of \$27.90 per hour for the new positions.

FastTrack Economic Development Program funds will be used for building improvements.
(\$1,250,000)

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



Department of Economic and Community Development

Randy Boyd
Commissioner

Bill Haslam
Governor

2. CKE Restaurants Holdings, Inc. - Franklin (Williamson County)

CKE Restaurants Holdings, Inc. owns, operates and franchises some of the most popular brands in the quick-service restaurant industry, including the Carl's Jr.®, Hardee's®, Green Burrito® and Red Burrito® restaurant brands. The CKE system includes more than 3,300 restaurant locations in 42 states and in 28 countries. The company is relocating their corporate headquarters from Carpinteria, CA .

CKE Restaurants Holdings, Inc. has committed to create 126 new jobs and make a \$18,300,000 capital investment within five years. The company will have an average wage rate of \$48.56 per hour for the new positions.

FastTrack Economic Development Program funds will be used for office buildouts and relocation of personnel. **(\$2,016,000)**

Total FastTrack funds for this project - \$2,016,000

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 and includes a large flourish on the right side.

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 | The Industrial Development Board of the City of Knoxville | \$1,250,000 | |
| TOTAL | | \$1,250,000 | |

(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): AmeriTeam Services, LLC

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

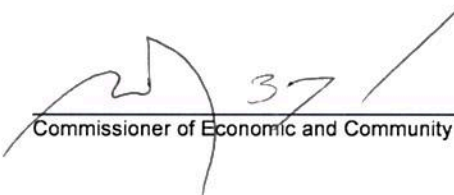
Applicant must answer "Yes" to a or b.

- 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

4-27-16
 Date



Department of Economic and Community Development

Randy Boyd
Commissioner

Bill Haslam
Governor

May 9, 2016

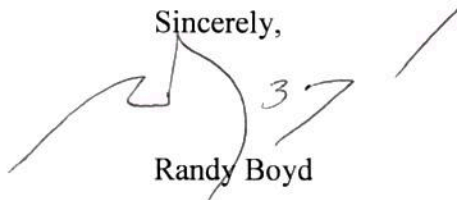
Comptroller Justin Wilson
First Floor, State Capitol
Nashville, TN 37243

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 a FastTrack Economic Development Grant to The Industrial Development Board of the City of Knoxville for the benefit of AmeriTeam Services, LLC in the amount of \$1,250,000 to offset building improvements. 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 high wage jobs. AmeriTeam Services, LLC has committed to create 250 new jobs and to make a \$6,675,000 capital investment within five years. The company will have an average wage of \$27.90 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

Randy Boyd
Commissioner

Bill Haslam
Governor

October 28, 2015

INCENTIVE ACCEPTANCE FORM

This form serves as notice that AmeriTeam Services, LLC intends, in good faith, to create 250 private sector jobs and make a capital investment of \$6,675,000 in exchange for incentives that will be memorialized in a grant agreement AmeriTeam Services, LLC and the State of Tennessee.

ECD OFFER SUMMARY

| | |
|---------------------------------------|---------------------|
| FastTrack Economic Development Grant: | \$ 1,250,000 |
| Total ECD Commitment: | \$ 1,250,000 |

Please sign your name in the space below to signify AmeriTeam Services, LLC's acceptance of ECD's offer set forth above and return it by January 28, 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: 
(Authorized Representative of Company)

Date: 10/29/15

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).

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| TYPE OF FUNDING | RECIPIENT ENTITY | GRANT AMOUNT | LOAN AMOUNT |
|----------------------|---|--------------------|-------------|
| INFRASTRUCTURE | | | |
| TRAINING* | | | |
| ECONOMIC DEVELOPMENT | Industrial Development Board of Williamson County, Tennessee | \$2,016,000 | |
| TOTAL | | \$2,016,000 | |

(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): CKE Restaurants Holdings, 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)? Yes No
- 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)? Yes No
- 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)? Yes No
- 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. Yes No

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. Yes No
- 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. Yes No

TRAINING

- 7. Will the grant support the training of new employees for locating or expanding industries T.C.A. § 4-3-717(c)(1)?
- 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
 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)?
- 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)?
- 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
 Yes No
 Yes No

Applicant must answer "Yes" to a or b.

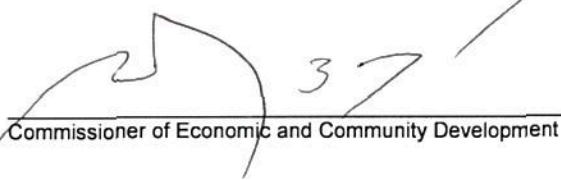
- 12. a. Will the grant or loan address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry T.C.A. § 4-3-717(h)(2)?
- 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)?
- 14. Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds T.C.A. § 4-3-717(d)(1)?
- 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)?
- 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.
- 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.

Yes No
 Yes No
 Yes No
 Yes No

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


 Commissioner of Economic and Community Development

4-27-16
 Date



Department of Economic and Community Development

Randy Boyd
Commissioner

Bill Haslam
Governor

May 9, 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 a FastTrack Economic Development Grant to the Industrial Development Board of Williamson County, Tennessee for the benefit of CKE Restaurants Holdings, Inc. in the amount of \$2,016,000 for office buildouts and relocation of personnel. 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 high wage jobs and significant capital investment. CKE Restaurants Holdings, Inc. has committed to create 126 new jobs and to make a \$18,300,000 capital investment within five years. The company will have an average wage of \$48.56 per hour for the new positions. This project will have an exceptional impact on this area of the state.

Sincerely,

A handwritten signature in black ink, appearing to be "Randy Boyd", written over a light blue horizontal line. The signature is stylized and includes a large flourish on the right side.

Randy Boyd



Department of Economic and Community Development

Randy Boyd
Commissioner

Bill Haslam
Governor

April 26, 2016

CKE Restaurants Holdings, Inc.
Mr. Ted Abajian
6303 Carpinteria Ave.
Carpinteria, CA 93013

Dear Mr. Abajian,

Please sign and date the following, as this letter serves as notice that as of the date here of CKE Restaurants Holdings, Inc. intends, in good faith, to create 126 private sector jobs and make a capital investment of \$18,300,000 in Williamson County, Tennessee in exchange for incentives that will be memorialized in a grant agreement between CKE Restaurants Holdings, Inc. and the State of Tennessee.

Signature: _____

A handwritten signature in blue ink, appearing to read "Ted Abajian", written over a horizontal line.

Date: _____

A handwritten date "5/2/16" in blue ink, written over a horizontal line.

Thank you,

A handwritten signature in black ink, appearing to read "Randy Boyd", written over a horizontal line.

Randy Boyd, Commissioner, Tennessee Department of Economic and Community Development