

**TENNESSEE STATE FUNDING BOARD  
DECEMBER 19, 2017  
AGENDA**

1. Call meeting to order
2. Approval of State Funding Board minutes from the November 20 and 27, meeting
3. Report from the Department of Economic and Community Development (ECD) for approval of funding for the following projects:
  - **Hörmann LLC – Sparta (White County)**

FastTrack Economic Development Grant	\$1,130,000
FastTrack Infrastructure Development Grant	\$2,040,000
  - **LG Electronics U.S.A., Inc. – Clarksville (Montgomery County)**

FastTrack Infrastructure Development Grant	\$1,000,000
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  - **Philips Holding USA – Nashville (Davidson County)**

FastTrack Job Training Grant	\$7,400,000
FastTrack Economic Development Grant	\$4,212,500
  - **Apricity Resources, LLC – Nashville (Davidson County)**

FastTrack Economic Development Grant	\$ 860,000
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4. Adjourn

**TENNESSEE STATE FUNDING BOARD**  
**November 20, 2017**

The Tennessee State Funding Board (the “Board”) met on Monday, November 20, 2017, at 12:30 p.m., in the William R. Snodgrass (Tennessee Tower), 3<sup>rd</sup> Floor, Nashville Room, 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  
Commissioner Larry Martin, Department of Finance and Administration

The following member was absent:

The Honorable Bill Haslam, Governor

Seeing a physical quorum present Mr. Wilson called the meeting to order and asked for approval of the minutes from the September 8, 2017, meeting. Mr. Wilson made a motion to approve the minutes. Mr. Lillard seconded the motion and it was unanimously approved.

Mr. Wilson then recognized Commissioner Martin who presented a report on the October 2017 revenues. Commissioner Martin reported that revenues for the month of October were \$1.0 billion, which was \$31.1 million more than revenues for the month of October 2016, and \$1.3 million less than the budgeted estimate. Commissioner Martin reported that the October growth rate for sales tax revenues was 3.16%. Commissioner Martin stated that October revenues results were mixed. Sales tax, the best economic indicator, grew at a relatively modest rate while corporate revenues, realized from the franchise and excise taxes, recorded negative growth. Commissioner Martin pointed out that total revenue growth year-to-date for three months were \$42.7 million more than the budgeted estimate. The general fund exceeded estimate by \$21.4 million and the four other funds that share in state tax revenues exceeded estimates by \$23.1 million. No action was necessary.

Mr. Wilson then 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 Boyd Center for Business and Economic Research; Dr. Jon Smith and Dr. Joseph Newhard of East Tennessee State University; Commissioner David Gerregano of the Tennessee Department of Revenue; and Ms. Krista Lee, Director, and Mr. Bojan Savic, Chief Economist of the Fiscal Review Committee (the “FRC”). The Board heard testimony regarding the State of Tennessee’s (the “State”) economy from those persons listed above.

The presenters forecasted economic growth and state revenue tax growth in line with long-term averages for both items while citing the downside risk of the overly-long economic expansion in both the U.S. and Tennessee. Multiple presenters also cautioned that statutory changes made to multiple taxes- including sales and use, franchise and excise, gasoline, and motor fuel – during the 2017 legislative session could introduce uncertainty into the estimation of state tax revenue growth for fiscal years 2017-2018 and 2018-2019. No action was necessary.

Mr. Wilson then called for presentations regarding the Tennessee Education Lottery Corporation (the “TELCC”) from Ms. Lee; and Ms. Rebecca Hargrove, President, and Mr. Andy Davis, Chief Financial Officer, both from 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 reported on year-to-date revenue and expenses for fiscal year 2017-2018. No action was necessary.

Tennessee Code Annotated Section 4-51-111(c)(2)(A)(ii) requires the Board, with the assistance of the Tennessee Student Assistance Corporation (the “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 2021-2022 fiscal year. The lottery-funded scholarship programs as authorized through the 2017 session of the General Assembly include the HOPE Scholarship, General Assembly Merit Scholarship, ASPIRE Award, HOPE Access Grant, Wilder-Naifeh Technical Skills Grant, Non-traditional Student Grant, Dual Enrollment Grant, Helping Heroes Grant, Foster Child Tuition Grant, STEP UP Scholarship, TCAT Reconnect, and the Math & Science Teacher Loan Forgiveness Program. No action was necessary.

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 2018-2019, 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 stated the Report from the Department of Economic and Community Development (“ECD”) for approval of funding for projects listed on the Agenda would be deferred until the Funding Board meeting on November 27, 2017.

After requesting other business and hearing none, Mr. Wilson recessed the meeting and stated that the Board would reconvene on November 27, 2017 at 1:00 p.m. in the Tennessee Tower, 3<sup>rd</sup> Floor, Nashville Room.

**RECONVENED**  
**November 27, 2017**  
**1:00 p.m.**

The Board reconvened on November 27, 2017 at 1:00 p.m., in the Tennessee Tower, 3<sup>rd</sup> Floor, Nashville Room, Nashville, Tennessee. The following members were present.

The Honorable Tre Hargett, Secretary of the State of Tennessee  
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 and recognized Ms. Jamie Stitt, Deputy Assistant Commissioner of Business Development, ECD, to present FastTrack projects for consideration and Mr. Paul VanderMeer, Senior Advisor for Fiscal Policy, ECD, to present the “FastTrack Report to the State Funding Board” (the “Report”). Mr. VanderMeer reported that, as of the date of the last Board meeting on September 8, 2017, the FastTrack balance was \$242,620,100.97. Since that time, \$1,240,456.88 in funds were deobligated and returned to the FastTrack program. Mr. VanderMeer reported that \$12,000,000 in funds were transferred to the FastTrack program from the ECD business development fund for the St. Jude project and \$4,674,000 were transferred from the FastTrack program to the capital projects fund for a capital grant for the Nokian Tyres project. Mr. VanderMeer then reported that \$10,995,749.00 in new grants or loans were approved and \$122,589.17 in funds were spent on FastTrack administrative expenses, which resulted in an adjusted FastTrack balance available for funding grants and loans of \$240,068,219.68 as of the date of the Report. Mr. VanderMeer reported that commitments had been made in the amount of \$176,074,495.76, resulting in an uncommitted FastTrack balance of \$63,993,723.92. Mr. VanderMeer reported that the projects to be considered at this meeting totaled \$49,810,000, and if these projects were approved, the uncommitted balance would be \$14,183,723.92 and the total commitments would be \$225,884,495.76, which represented 94.1% of the FastTrack balance.

Ms. Stitt then stated that the following 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. Ms. Stitt then presented the following FastTrack projects:

- **American Lebanese Syrian Associated Charities (“ALSAC”) and St. Jude Children’s Research Hospital (“St. Jude”) – Memphis (Shelby County)**  
FastTrack Economic Development Grant \$24,000,000
  
- **Nokian Tyres U.S. Operations LLC – Dayton (Rhea County)**  
FastTrack Job Training Grant \$ 6,435,000
  
- **Gränges Americas Inc. – Huntingdon (Carroll County)**  
FastTrack Economic Development Grant \$ 1,375,000
  
- **Gränges Americas Inc. – Huntingdon (Carroll County)**  
FastTrack Economic Development Grant \$ 1,500,000

- **Volkswagen Group of America Chattanooga Operations, LLC – Chattanooga (Hamilton County)**  
FastTrack Job Training Grant \$12,000,000
- **Amazon dedc, LLC – Memphis (Shelby County)**  
FastTrack Economic Development Grant \$ 3,000,000
- **Shaw Industries Group, Inc. – Decatur (Meigs County)**  
FastTrack Economic Development Grant \$ 1,500,000

The Board received in their packets signed letters, FastTrack checklists, and incentive acceptance forms signed by Mr. Bob Rolfe, Commissioner of ECD. Mr. Wilson inquired if the information provided in the ECD packets was true and correct and Ms. Stitt responded affirmatively. Mr. Wilson then inquired if the companies that signed the incentive acceptance forms fully understood the agreements and Ms. Stitt responded affirmatively. Commissioner Martin made a motion to approve the FastTrack projects that were presented. Secretary Hargett seconded the motion, and it was unanimously approved.

Mr. Wilson then recognized Mr. David Thurman, Director of the Division of Budget with the Department of Finance and Administration, who presented the staff recommendations of the consensus recurring revenue estimates expressed in ranges of growth rates in State taxes.

	<u>FY 2017-2018</u>		<u>FY 2018-2019</u>	
	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>
Total State Taxes	2.43%	2.67%	2.70%	3.20%
General Fund	1.16%	1.40%	2.70%	3.20%

The Board noted that while it is difficult to precisely predict revenue ranges, the Board believes that these ranges are reasonable for use in state budgeting. The Board also noted that these ranges are based on statutory tax provisions through the 2017 session of the General Assembly. Commissioner Martin made a motion to approve the consensus revenue estimates as recommended by staff. Secretary Hargett 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>FY 2017-2018</u>	<u>FY 2018-2019</u>	<u>FY2019-2020</u>	<u>FY2020-2021</u>	<u>FY 2021-2022</u>
Low	1.00%	1.50%	1.50%	1.50%	1.50%
High	2.00%	2.00%	2.00%	2.00%	2.00%

Mr. Lillard made a motion to approve the lottery revenue estimates as recommended by staff. Mr. Wilson seconded the motion, and it was unanimously approved.

Pursuant to Tennessee Code Annotated 4-51-111(a)(3), the TELC may make a determination that returning a specific percentage of sales as net proceeds (35%) would not result in the maximum dollar amount of net proceeds being achieved. Mr. Wilson acknowledged receipt of a letter from TELC notifying the Board that TELC had 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 2018. The amount currently projected for the fiscal year ranges from \$381 million to \$389 million. The Board acknowledged the letter.

Mr. Wilson then recognized Mr. Charly Lyons and Ms. Carroll Carman from the Tennessee Central Economic Authority (the "Authority") (formerly Four Lake Authority) who presented a report on the Authority operations over the past year. Mr. Lyons explained that the Authority is an economic development organization that operates in the counties of Macon, Smith, Sumner, Trousdale and Wilson. Mr. Lyons reported that the General Fund 2017/2018 Fiscal Year End Budget along with the Budget vs. Actual for the period July through October 2017 was provide to the Board members in their packet. Mr. Lyons then reported that the Board was also provided a Capital Improvement Fund Budget for the 2017-2018 Fiscal Year End and for the period July through October 2017, which deals with grants and infrastructure work performed. Mr. Lyons reported that the major on-going project is the PowerCom Industrial Center improvements and completion of the Tennessee Department of Transportation State Infrastructure Access Road to the PowerCom site. 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 (the "TSVHB"), who presented a report on TSVHB operations. Ms. Brown reported that for the period July 1, 2017 through October 31, 2017, net income for the Murfreesboro and Knox County facilities was more than budget and is the result of patient mix and census. Ms. Brown explained that the Clarksville facility reported a loss for the period, which was due to staggering the opening of the different houses in the facility. Ms. Brown explained that staff for each house in the facility is hired two to three weeks prior to residents being admitted for training. Ms. Brown reported that all nine houses at the Clarksville Home were at capacity. Ms. Brown also reported that net income for the Humboldt facility was less than budgeted and was driven by many factors. Mr. Harries reported that for the month of October 2017, each facility was reporting the following average daily census and occupancy information: Murfreesboro – 135 (96.6% occupancy), Humboldt – 117 (83.8% occupancy), Knox County – 138 (98.6% occupancy) and Clarksville – 106 (97.9% occupancy). Mr. Harries reported that the occupancy rate at the facilities exceeded the state occupancy rate of 75.3%. Mr. Harries reported that an application for federal funding has been submitted for a 108 bed intermediate and skilled care nursing facility in Cleveland-Bradley County and for a 144 bed skilled nursing facility in Arlington-Shelby County. Mr. Harries stated that TSVHB received zero audit findings for fiscal year ended June 30, 2016 from their state audit. Mr. Harries also discussed various other information from performance and regulatory compliance audits. No action was necessary.

Mr. Wilson then recognized Mr. Tim McClure, Director of Cash Management of the State of Tennessee Treasury Department, who presented a report on the State Pooled Investment Fund ("SPIF") for the fiscal year ended June 30, 2017. Mr. McClure reported the SPIF had a monthly average of \$10.46 billion invested for the fiscal year ended June 30, 2017. Mr. McClure stated that the average portfolio composition of the SPIF for fiscal year 2016-2017 was made up of U.S. Agencies (59.33%), U.S. Treasuries (14.50%), Collateralized CD's (14.06%), Commercial Paper (6.02%) and Overnight Sweep (6.09%). Mr. McClure reported on the average daily balances, performance, weighted average maturity, weighted average life and daily and weekly liquid assets, credit quality and diversification, and shadow pricing of the SPIF. Mr. McClure reported that stress tests conducted during fiscal year 2016-2017 revealed that, in each case, the results of the tests were successful. Mr. McClure stated that because the SPIF Investment Policy was revised and approved by the Board on April 7, 2016, no additional changes were anticipated during the current fiscal year. Mr. McClure stated that a 4 basis point administrative fee is charged to all participants to administer the program. No action was necessary.

Mr. McClure then presented a report on the Intermediate Term Investment Fund ("ITIF") for the fiscal year ended June 30, 2017. Mr. McClure explained that the ITIF was launched on July 22, 2013, when the first participant invested \$200 million and as of June 30, 2017, there were no additional investments and the participant had withdrawals that totaled of \$140 million since inception. Mr. McClure stated that the objective of the ITIF was to take advantage of the expected additional return from investing farther out on the yield curve and stated that the fund is not designed to provide liquidity. Mr. McClure reported that for

the period July 22, 2013, through June 30, 2017, the ITIF had a market value increase of 2.47% and during fiscal year 2016-2017 increased in value by 0.33%, 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 presented for consideration and approval an amendment to the financial advisor contract with Public Financial Management (PFM). Mr. Wilson explained that the amendment would extend the contract for one additional year. Mr. Lillard made a motion to approve the amendment to the contract with PFM. Commissioner Martin seconded the motion and it was unanimously approved.

Mr. Wilson then recognized Ms. Sandi Thompson, Director of the Office of State and Local Finance, who presented a report on the State's commercial paper ("CP") program. Ms. Thompson reported the following points for the period July 1, 2016 to June 30, 2017:

- The average daily balance for taxable CP was \$26,000,000 and for tax-exempt CP was \$152,000,000.
- The taxable CP interest rate ranged from 0.45% to 1.20%, with a weighted average yield of 0.73%.
- The tax-exempt CP interest rate ranged from 0.45% to 0.97%, with a weighted average yield of 0.76%.
- The CP program expenses included interest in the amount of \$1,164,320, standby purchase agreement fee of \$1,050,000, dealer services fee of \$95,751, issuing and paying agent fee of \$5,679.

Ms. Thompson reported the following points for the period July 1, 2017 to October 31, 2017:

- The outstanding balance at October 31, 2017 for taxable CP was \$26,663,000 and for tax-exempt CP was \$193,513,000.
- The average daily balance for taxable CP was \$27,516,659 and for tax-exempt CP was \$163,966,171.
- The taxable CP interest rate ranged from 1.20% to 1.24%, with a weighted average yield of 1.20%.
- The tax-exempt CP interest rate ranged from 0.86% to 1.00%, with a weighted average yield of 0.96%.

No action was necessary.

Mr. Wilson then presented for approval a "Resolution Allocating from the Internal Service Fund to the Capital Projects Fund \$4,380,000 and Canceling Authorized Bonds." Mr. Wilson explained that the Resolution was to cancel the bond authorization related to the Enterprise Resource Planning Software project, as was recommended in a memo from the Commissioner of Finance and Administration. Mr. Wilson made a motion to approve the Resolution. Commissioner Martin seconded the motion and it was unanimously approved.

Mr. Wilson then presented for approval a "Resolution Allocating from the Debt Service Fund to the Capital Projects Fund \$1,400,000 and Canceling Authorized Bonds." Mr. Wilson explained that the Resolution was to cancel the bond authorization related to the West Tennessee Megasite project, as was recommended in a memo from the Commissioner of Finance and Administration. Mr. Wilson made a motion to approve the Resolution. Commissioner Martin seconded the motion and it was unanimously approved.

Hearing no other business, Mr. Wilson adjourned the meeting.

Approved this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

Respectfully submitted

Sandra Thompson  
Assistant Secretary



## FastTrack Report to State Funding Board

12/14/2017

1. Previous FastTrack Balance, as of Last Report	240,068,219.68	
2. + New Appropriations:	0.00	
3. + Newly Deobligated Funds:	2,866,953.36	
4. + Funds Transferred to FastTrack:	0.00	
5. - Funds Transferred from FastTrack:	0.00	
6. - FastTrack Grants or Loans Approved Greater Than \$750,000:	(4,520,000.00)	
7. - FastTrack Grants or Loans Approved Less Than \$750,000:	(443,929.00)	
8. - FastTrack Administration	(76,421.82)	
9. Adjusted FastTrack Balance Available for Funding FastTrack Grants or Loans:		237,894,822.22

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10. Total Amount of Commitments:	225,827,394.94	
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11. Uncommitted FastTrack:		12,067,427.28
12. Percentage Committed:		94.9%

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13. Amount of Proposed Grants or Loans:	15,512,500.00	
14. Uncommitted FastTrack Balance if Proposed Grants or Loans Approved:		(3,445,072.72)
15. Percentage Committed:		101.4%

See next page for explanations of the above questions.

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

Robert D. Reel/son

Date: 12/14/17

Commissioner of Economic and Community Development



## Department of Economic and Community Development

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Bob Rolfe  
Commissioner

Bill Haslam  
Governor

December 19, 2017

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. Hörmann LLC – Sparta (White County)**

Headquartered in Germany, Hörmann LLC is a leading manufacturer of building entry systems. Hörmann's products cover a wide range of doors for residential and commercial applications. Founded in 1935, Hörmann is family-operated and serves customers in more than 60 countries.

Plant construction is scheduled to begin in early 2018. The 350,000-square-foot facility is expected to be operational in mid-2019. Hörmann will produce residential and commercial sectional garage doors at the facility, serving customers across North America.

Hörmann LLC has committed to create 204 new jobs and make a \$63,750,000 capital investment within five years. The company will have an average wage of \$21.07 per hour for the new positions.

FastTrack Economic Development Grant funds will be used for land acquisition. **(\$1,130,000)**



## Department of Economic and Community Development

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Bob Rolfe  
Commissioner

Bill Haslam  
Governor

FastTrack Infrastructure Development Grant funds will be used for site, water, sewer, gas, and telecommunications improvements on public property. **(\$910,000)**

**Total FastTrack funds for this project - \$2,040,000**

### **2. LG Electronics U.S.A., Inc. – Clarksville (Montgomery County)**

LG Electronics U.S.A., Inc. (LG) is the North American subsidiary of LG Electronics, Inc., a \$48 billion global force and technology leader in consumer electronics, home appliances and mobile communications. LG Electronics sells a range of home entertainment products, mobile phones, home appliances, commercial displays, air conditioning systems and solar energy solutions in the United States.

LG's new Tennessee facility is expected to be the world's most advanced production plant for washing machines. Construction on the 829,000 square-foot facility began earlier this year. Starting in 2019, the factory will initially produce front and top load washing machines. Longer term, the 310 acre site offers the potential to expand for production of other home appliances.

LG Electronics U.S.A., Inc. has committed to create 600 new jobs and make a \$250,583,000 capital investment within five years. The company will have an average wage of \$18.22 per hour for the new positions.

Previously, this project received \$3,532,150 in FastTrack Job Training and FastTrack Infrastructure Development Grant funds to be used for the training of the new workforce and various infrastructure improvements.

Additional FastTrack Infrastructure Development Grant funds will be used to offset a portion of the costs the company will incur in addressing geological challenges in the site development process. **(\$1,000,000)**

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

### **3. Philips Holdings USA – Nashville (Davidson County)**

Royal Philips is a leading health technology company focused on improving people's health and enabling better outcomes across the health continuum from healthy living and prevention, to



## Department of Economic and Community Development

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Bob Rolfe  
Commissioner

Bill Haslam  
Governor

diagnosis, treatment and home care. Philips leverages advanced technology and deep clinical and consumer insights to deliver integrated solutions. Headquartered in the Netherlands, the company is a leader in diagnostic imaging, image-guided therapy, patient monitoring and health informatics, as well as in consumer health and home care.

With this project, Philips will be co-locating certain key business functions within Commercial Operations, Customer Service Operations, Finance, Human Resources, Information Technology, Marketing, Procurement, and Quality and Regulatory at a new center of expertise in the Greater Nashville area. By consolidating into one U.S.-based location, Philips can better assimilate current and future acquisitions more efficiently, standardize business processes and systems, and build a strong, scalable organization for the future, while continuously improving its customer experience.

Philips Holdings U.S.A., Inc. has committed to create 815 new jobs and make a \$39,940,000 capital investment within five years. The company will have an average wage of \$28.84 per hour for the new positions.

FastTrack Job Training Grant funds will be used to train the new workforce. **(\$7,400,000)**

FastTrack Economic Development Grant funds will be used for building and fixture improvements, relocation equipment, and other site improvements. **(\$4,212,500)**

**Total FastTrack funds for this project - \$11,612,500**

#### **4. Apricity Resources, LLC – Nashville (Davidson County)**

Apricity Resources, LLC is a back office and shared services firm operating in the long term and post-acute care sectors of the healthcare industry. The firm offers project management, financial services, human resources, information technology, and marketing services to its clients.

Apricity Resources, LLC will relocate its headquarters to Nashville, opening an office near South Street in the Gulch neighborhood of South Nashville.

Apricity Resources, LLC has committed to create 215 jobs and invest \$7,441,000 within five years. The company will have an average wage of \$41.61 per hour for the new positions.



Department of Economic and Community Development

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Bob Rolfe  
Commissioner

Bill Haslam  
Governor

FastTrack Economic Development Grant funds will be used for building retrofit and improvement, and fixture improvements. **(\$860,000)**

**Total FastTrack funds for this project - \$860,000**

Sincerely,

A handwritten signature in blue ink that reads "Bob Rolfe" followed by a stylized flourish.

Bob Rolfe

BR/js

## 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
	<b>INFRASTRUCTURE</b>	Industrial Development Board of White County, Tennessee	\$910,000	
	<b>TRAINING*</b>			
	<b>ECONOMIC DEVELOPMENT</b>	Industrial Development Board of White County, Tennessee	\$1,130,000	
	<b>TOTAL</b>		\$2,040,000	

(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): Hörmann 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.  Yes  No

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

  
Commissioner of Economic and Community Development

  
Date



Department of Economic and Community Development

Bob Rolfe  
Commissioner

Bill Haslam  
Governor

December 7, 2017

**INCENTIVE ACCEPTANCE FORM**

This form serves as notice that Hörmann LLC intends, in good faith, to create 204 private sector jobs in Sparta, White County and make a capital investment of \$63,750,000 in exchange for incentives that will be memorialized in a grant agreement between Hörmann LLC and the State of Tennessee.

**ECD OFFER SUMMARY**

FastTrack Infrastructure Grant:	\$ 910,000
FastTrack Economic Development Grant:	\$ 1,130,000
<b>Total ECD Commitment:</b>	<b>\$ 2,040,000</b>

Please sign your name in the space below to signify Hörmann LLC's acceptance of ECD's offer set forth above and return it by March 6, 2018 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. The incentives described in this letter are based upon the representations made by the Company to ECD regarding the project. ECD reserves the right to revise the incentives described in this Incentive Acceptance Form if any aspect of the project changes after receipt of this form. Changes that could result in revision of incentives include, but are not limited to: number of jobs, amount of capital investment, composition of company vs. contract jobs, average wage, or location of the project.**

Signature:   
(Authorized Representative of Company)

Date: 7 Dec. 2017





## Department of Economic and Community Development

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Bob Rolfe  
Commissioner

Bill Haslam  
Governor

December 19, 2017

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 White County, Tennessee for the benefit of Hörmann LLC in the amount of \$1,130,000 to offset the costs that will be incurred in land acquisition. 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. Hörmann LLC has committed to create 204 new jobs and to make a \$63,750,000 capital investment within five years. The company will have an average wage of \$21.07 per hour for the new positions. This project will have an exceptional impact on this area of the state.

Sincerely,

A handwritten signature in blue ink that reads "Bob Rolfe".

Bob Rolfe

## 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	<b>Clarksville-Montgomery County Industrial Development Board</b>	\$1,000,000	
	TRAINING*			
	ECONOMIC DEVELOPMENT			
TOTAL			\$1,000,000	

(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):** LG Electronics U.S.A., 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)?
- 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  
 Yes  No

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

  
 Commissioner of Economic and Community Development

  
 Date



Department of Economic and Community Development

Bob Rolfe  
Commissioner

Bill Haslam  
Governor

December 7, 2017

**INCENTIVE ACCEPTANCE FORM**

This form serves as notice that LG Electronics U.S.A., Inc. intends, in good faith, to create 600 private sector jobs in Clarksville, Montgomery County and make a capital investment of \$250,583,000 in exchange for incentives that will be memorialized in a grant agreement between LG Electronics U.S.A., Inc. and the State of Tennessee.

**ECD OFFER SUMMARY**

FastTrack Job Training Grant:	\$ 1,500,000
FastTrack Infrastructure Grant:	\$ 2,332,150
<b>Total ECD Commitment:</b>	<b>\$ 3,832,150</b>

Please sign your name in the space below to signify LG Electronics U.S.A., Inc.'s acceptance of ECD's offer set forth above and return it by March 6, 2018 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. The incentives described in this letter are based upon the representations made by the Company to ECD regarding the project. ECD reserves the right to revise the incentives described in this Incentive Acceptance Form if any aspect of the project changes after receipt of this form. Changes that could result in revision of incentives include, but are not limited to: number of jobs, amount of capital investment, composition of company vs. contract jobs, average wage, or location of the project.**

Signature:   
(Authorized Representative of Company)

Date: 12/07/2017

Richard C Wingate  
Vice-President of Compliance and General Counsel

## 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*	Philips Holdings USA	\$7,400,000	
ECONOMIC DEVELOPMENT	Industrial Development Board of Metro Nashville and Davidson County	\$4,212,500	
TOTAL		\$11,612,500	

(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): Philips Holdings USA

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.  Yes  No

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

  
Commissioner of Economic and Community Development

12/14/17  
Date



Department of Economic and Community Development

Bob Rolfe  
Commissioner

Bill Haslam  
Governor

November 29, 2017

**INCENTIVE ACCEPTANCE FORM**

This form serves as notice that Philips Holdings USA intends, in good faith, to create 815 private sector jobs in Nashville, Davidson County and make a capital investment of \$39,940,000 in exchange for incentives that will be memorialized in a grant agreement between Philips Holdings USA and the State of Tennessee.

**ECD OFFER SUMMARY**

FastTrack Job Training Grant:	\$ 7,400,000
FastTrack Economic Development Grant:	\$ 4,212,500
<b>Total ECD Commitment:</b>	<b>\$ 11,612,500</b>

Please sign your name in the space below to signify Philips Holdings USA's acceptance of ECD's offer set forth above and return it by February 26, 2018 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. The incentives described in this letter are based upon the representations made by the Company to ECD regarding the project. ECD reserves the right to revise the incentives described in this Incentive Acceptance Form if any aspect of the project changes after receipt of this form. Changes that could result in revision of incentives include, but are not limited to: number of jobs, amount of capital investment, composition of company vs. contract jobs, average wage, or location of the project.**

Signature:   
(Authorized Representative of Company)

Date: December 4, 2017



## Department of Economic and Community Development

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Bob Rolfe  
Commissioner

Bill Haslam  
Governor

December 19, 2017

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 Metro Nashville and Davidson County for the benefit of Philips Holdings USA in the amount of \$4,212,500 to offset the costs Philips Holdings USA will incur in building and fixture improvements, relocation equipment, and other site 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 and significant capital investment. Philips Holdings USA has committed to create 815 jobs and make a \$39,940,000 capital investment within five years. The company will have an average wage of \$28.84 per hour for the new positions. This project will have an exceptional impact on this area of the state.

Sincerely,

Bob Rolfe



## 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>Industrial Development Board of Metro Nashville and Davidson County</b>	\$860,000	
	TOTAL		\$860,000	

(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): Apricity Resources, 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.  Yes  No

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

  
Commissioner of Economic and Community Development

  
Date



Department of Economic and Community Development

Bob Rolfe  
Commissioner

Bill Haslam  
Governor

December 11, 2017

**INCENTIVE ACCEPTANCE FORM**

This form serves as notice that Apricity Resources, LLC intends, in good faith, to create 215 private sector jobs in Nashville, Davidson County and make a capital investment of \$7,441,000 in exchange for incentives that will be memorialized in a grant agreement between Apricity Resources, LLC and the State of Tennessee.

**ECD OFFER SUMMARY**

FastTrack Economic Development Grant:	\$ 860,000
<b>Total ECD Commitment:</b>	<b>\$ 860,000</b>

Please sign your name in the space below to signify Apricity Resources, LLC's acceptance of ECD's offer set forth above and return it by March 10, 2018 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. The incentives described in this letter are based upon the representations made by the Company to ECD regarding the project. ECD reserves the right to revise the incentives described in this Incentive Acceptance Form if any aspect of the project changes after receipt of this form. Changes that could result in revision of incentives include, but are not limited to: number of jobs, amount of capital investment, composition of company vs. contract jobs, average wage, or location of the project.**

Signature: Julie A. Fatzmann Date: 12/11/2017  
(Authorized Representative of Company)



## Department of Economic and Community Development

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Bob Rolfe  
Commissioner

Bill Haslam  
Governor

December 19, 2017

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 Metro Nashville and Davidson County for the benefit of Apricity Resources, LLC in the amount of \$860,000 to offset the costs Apricity Resources, LLC will incur in building retrofit and improvement, and fixture 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 and significant capital investment. Apricity Resources, LLC has committed to create 215 new jobs and to make a \$7,441,000 capital investment within five years. The company will have an average wage of \$41.61 per hour for the new positions. This project will have an exceptional impact on this area of the state.

Sincerely,

  
Bob Rolfe