

**TENNESSEE STATE FUNDING BOARD**  
**JUNE 19, 2018**  
**AGENDA**

1. Call meeting to order
2. Approval of State Funding Board minutes from the May 16 and May 25, 2018 meetings
3. Presentation and consideration for approval of the Tennessee Housing Development Agency's Schedule of Financing for Fiscal Year 2018-2019
4. Report from the Department of Economic and Community Development (ECD) for approval of funding for the following projects:
  - **Atlasbx America Corp. – Clarksville (Montgomery County)**

FastTrack Economic Development Grant	\$ 3,000,000
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  - **DENSO Manufacturing Tennessee – Maryville (Blount County)**

FastTrack Economic Development Grant	\$20,000,000
FastTrack Job Training Grant	\$ 1,500,000
  - **TBA**

FastTrack Economic Development Grant	\$ 1,500,000
FastTrack Job Training Grant	\$ 750,000
  - **TBA**

FastTrack Economic Development Grant	\$ 1,000,000
FastTrack Job Training Grant	\$ 800,000
  - **Petoskey Plastics, Inc. – Morristown (Hamblen County)**

FastTrack Infrastructure Development Grant	\$ 750,000
FastTrack Job Training Grant	\$ 71,000
5. Consideration and acceptance of Tennessee Consolidated Retirement System (TCRS) affirmation of Standby Commercial Paper Agreement
6. Consideration for approval of the Resolution certifying Special Revenues as required by Section 9-9-104(b), Tennessee Code Annotated
7. Discussion of proposed guidelines for Debt Reporting by Industrial Development Corporations (IDC) as required by Section 7-53-304(b), Tennessee Code Annotated
8. Discussion of proposed guidelines for Approval of Qualified Tourism Development Zone (TDZ) Bond Notes or Other Indebtedness as required by Section 7-88-107(c), Tennessee Code Annotated
9. Adjourn

## TENNESSEE STATE FUNDING BOARD

May 16, 2018

The Tennessee State Funding Board (the “Board”) met on Wednesday, May 16, 2018, at 1:30 p.m., in the Tennessee State Capitol, Ground Floor, Executive Conference Room, Nashville, Tennessee. The Honorable David Lillard, State Treasurer, was present and presided over the meeting.

The following members were also present:

The Honorable Tre Hargett, Secretary of the State of Tennessee  
Commissioner Larry Martin, Department of Finance and Administration

The following members were absent:

The Honorable Bill Haslam, Governor  
The Honorable Justin Wilson, Comptroller

Seeing a physical quorum present, Mr. Lillard called the meeting to order and asked for approval of the minutes from the March 2 and March 13, 2018 meetings. Commissioner Martin made a motion to approve the minutes. Mr. Hargett seconded the motion, and it was unanimously approved.

Mr. Lillard then recognized Mr. Bob Rolfe, Commissioner of Tennessee Department of Economic and Community Development (“ECD”), to present FastTrack projects for consideration and Mr. Paul VanderMeer, Senior Advisor for Fiscal Policy, ECD, to present the “FastTrack Report to State Funding Board” (the “Report”). Mr. VanderMeer reported that, as of the date of the last Board meeting on March 2, 2018, the FastTrack balance was \$230,475,726.74. Since that time, interest in the amount of \$1,209,308.61 was received; \$3,237,100.00 in funds were deobligated and returned to the FastTrack program; \$13,032,800.00 in new grants had been approved and \$67,050.86 in funds were spent on FastTrack administrative expenses, which resulted in an adjusted FastTrack balance available for funding grants and loans of \$221,822,284.49 as of the date of the Report. Mr. VanderMeer reported that commitments had been made in the amount of \$166,469,476.74, resulting in an uncommitted FastTrack balance of \$55,352,807.75. Mr. VanderMeer reported that the projects to be considered at this meeting totaled \$48,745,850.00, and if these projects were approved, the uncommitted balance would be \$6,606,957.75 and the total commitments would be \$215,215,326.74, which represented 97.0% of the FastTrack balance.

Mr. Lillard then recognized Representative Patsy Hazelwood, District 27, who attended the meeting.

Mr. Rolfe stated that the projects were being presented to the Board because state law required that FastTrack projects in amounts exceeding \$750,000.00 per eligible business within any three-year period be reviewed and approved by the Board. Mr. Rolfe then presented the following FastTrack projects:

- **Adient US, LLC – Lexington (Henderson County)**  
FastTrack Economic Development Grant \$ 1,000,000
- **AllianceBernstein L.P. – Nashville (Davidson County)**  
FastTrack Economic Development Grant \$17,500,000

- **Asurion Insurance Services, Inc. – Nashville (Davidson County)**  
FastTrack Economic Development Grant \$ 4,400,000
- **Dong-A USA, Inc. – Martin (Weakley County)**  
FastTrack Economic Development Grant \$ 2,200,000
- **Excel Boat Company, LLC – Ridgely (Lake County)**  
FastTrack Economic Development Grant \$ 1,250,000
- **Granges Americas, Inc. – Huntingdon (Carroll County)**  
FastTrack Infrastructure Development Grant \$ 395,850
- **Kilgore Flares Company, LLC – Toone (Hardeman County)**  
FastTrack Economic Development Grant \$ 2,000,000
- **Tyson Foods, Inc. – Humboldt (Gibson County)**  
FastTrack Infrastructure Development Grant \$14,000,000  
FastTrack Economic Development Grant \$ 6,000,000

Mr. Rolfe commented that this request included 8 projects; 2 in Nashville and 6 in rural counties in West Tennessee. Of the 8 projects, 4 are expansion projects and 4 are new companies to Tennessee. Commissioner Martin inquired about how ECD connects all the benefits of a FastTrack project to the amount of money committed to a project. Mr. Rolfe explained that there are 4 major qualifications that ECD reviews when evaluating a project: (1) the private capital commitment from the company, (2) the number of jobs, (3) the quality of the wages, and (4) the location. Mr. Rolfe explained that all the projects get bounced against a database that ECD keeps for all projects since 2011. ECD also looks at the return of investment (“ROI”) on each project and the years of payback. Mr. Rolfe also commented that the recruitment process has become very competitive, especially with the border States and without incentives companies would bypass Tennessee. Commissioner Martin asked if ECD looks at expansion projects and new projects differently. Commissioner Rolfe responded affirmatively and explained that Phase 1 new projects are the most expensive jobs. Mr. Hargett then asked about the AllianceBernstein project. Mr. Hargett commented that he read an article in Bloomberg that stated the grant from ECD included a discretionary component and asked for clarification from ECD regarding that statement in the story. Mr. Allen Borden, ECD Deputy Commissioner of Business, Community and Rural Development, explained that FastTrack grants are considered a discretionary bucket of grant funds verses the tax incentive which are considered statutory. Mrs. Jamie Stitt, ECD Assistant Commissioner of Business and Workforce Development, explained that the Bloomberg article stated the FastTrack grant funds could be used for training, infrastructure or discretionary items. Ms. Stitt further explained that what the article referred to as discretionary was the economic development grants, which are more discretionary for things out of training and infrastructure. Ms. Stitt explained that the economic development grants must still be spent within according to the qualifications of the grant program.

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

Mr. Lillard recognized Ms. Sandra Thompson, Director of the Office of State and Local Finance (OSLF) and Assistant Secretary to the State Funding Board, who presented a report on the results of the sale of General Obligation Bonds, 2018 Series A (the "Series A bonds") and 2018 Refunding Series B (the "Series B Bonds"; collectively, the "Bonds"). Ms. Thompson reported that:

- the Bonds were sold on April 18, 2018 with a total par amount of \$189,770,000.00;
- the Series B Bonds were tax-exempt refunding bonds in the amount of \$35,415,000.00 and generated a premium of \$2,258,759.40;
- the Series A Bonds were tax-exempt new money bonds in the amount of \$154,355,000.00 and generated a premium of \$26,107,770.95;
- the range of yields on the Series A Bonds were 1.59% to 2.82% and for the Series B Bonds were 1.64% to 2.10%;
- the true interest cost (TIC) for the Series A Bonds was 2.9989% and for the Series B Bonds was 1.9518%;
- the underwriter's discount for the Series A Bonds was \$155,558.81 and for the Series B Bonds was \$13,041.75; and
- the Series B Bonds generated a new present value savings of \$1,497,795.21 or 4.02% of the par amount of the refunded bonds.

Mr. Lillard then recognized Ms. Thompson who presented the Report of Debt Obligation (CT-0253) for the Bonds. Ms. Thompson explained that there were two reports in the packet presented to the Board; one for the Series A Bonds and one for the Series B Bonds and were presented pursuant to Tennessee Code Annotated Section 9-21-151. Ms. Thompson noted that page 2 of the CT-0253 outlined the costs of issuance for the bonds. Mr. Lillard acknowledged receipt of the CT-0253's.

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

Approved on this \_\_\_\_ day of \_\_\_\_\_ 2018.

Respectfully submitted,

Sandra Thompson  
Assistant Secretary

## **TENNESSEE STATE FUNDING BOARD**

**May 25, 2018**

The Tennessee State Funding Board (the "Board") met on Friday, May 25, 2018, at 8:15 a.m., in the Tennessee State Capitol, Ground Floor, Executive Conference Room, Nashville, Tennessee. The Honorable Bill Haslam, Governor, was present and presided over the meeting.

The following members were also present:

The Honorable Tre Hargett, Secretary of the State of Tennessee  
The Honorable David Lillard, State Treasurer

The following members were absent:

The Honorable Justin Wilson, Comptroller  
Commissioner Larry Martin, Department of Finance and Administration

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

Mr. Haslam recognized Ms. Sandra Thompson, Director of the Office of State and Local Finance (OSLF) and Assistant Secretary to the Board, who presented for consideration and approval a request from the City of Sevierville (the "City") to issue debt pursuant to Tennessee Code Annotated, Section 7-88-107 (TCA 7-88-107). Ms. Thompson recognized Mr. Mark Mamantov, Bass, Berry and Sims, who was in attendance to represent the City of Sevierville and presented the request for the City to issue bonds to refund the outstanding principal amount of publicly sold bonds that are maturing on June 1, 2018. Mr. Mamanov explained the City began working on the refunding in March and the City posted a Preliminary Official Statement to sell the Bonds on April 23, 2018, and the bonds were sold by public competitive sale on May 1, 2018. Mr. Mamantov explained that the City has a tourist development zone (TDZ) and the bonds that are maturing on June 1, 2018 were payable from and secured by TDZ revenues as well as the general credit of the City. Mr. Mamantov explained that while the City was preparing for the bond sale, TCA 7-88-107 became effective which required any bonds proposed to be issued under the TDZ act, including any refunding, must be approved by the Board. Mr. Mamantov explained that the City needed the Board's approval to allow the City to close the bonds on May 31, 2018. Mr. Lillard noted that the Comptroller issued a letter on March 26, 2018 to the City that noted the insufficiency of revenue from the TDZ and that the City should come up with a comprehensive plan to pay off the TDZ debt which expires in 2034.

Mr. Hargett moved approval of the request. Mr. Lillard seconded the motion and it was unanimously approved.

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

Approved on this \_\_\_\_ day of \_\_\_\_\_ 2018.

Respectfully submitted,

Sandra Thompson  
Assistant Secretary



## Tennessee Housing Development Agency

Andrew Jackson Building, Third Floor  
502 Deaderick Street, Nashville, TN 37243

**Bill Haslam**  
Governor

**Ralph M. Perrey**  
Executive Director

### MEMORANDUM

**DATE:** May 23, 2018  
**TO:** Sandi Thompson,  
Director of the Office of State and Local Finance  
**FROM:** Lynn Miller, *LEM*  
Chief Legal Counsel  
**SUBJECT:** Tennessee Housing Development Agency  
Schedule of Financing for Fiscal Year 2018-2019

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Pursuant to Tennessee Code Annotated Section 13-23-120(e)(1), I am attaching herewith THDA's Schedule of Financing for the referenced fiscal year. This Schedule of Financing was approved by the Bond Finance Committee of THDA at its meeting on May 21, 2018, and by THDA's Board of Directors at its meeting on May 22, 2018.

The above-referenced statutory section requires that this Schedule of Financing be submitted to the State Funding Board. I am, therefore, requesting that you place this item on the agenda for the meeting of the State Funding Board meeting scheduled on June 19, 2018.

Should you have any questions or comments, please feel free to call.

LEM/ds

Attachment

**TENNESSEE HOUSING DEVELOPMENT AGENCY**

**SCHEDULE OF FINANCING  
FISCAL YEAR 2018-2019**

**SUMMARY**

The Tennessee Housing Development Agency ("THDA") is required, under Tennessee Code Annotated Section 13-23-120(e)(1), to submit a schedule to the State Funding Board showing financings proposed for the fiscal year. The proposed schedule for fiscal year 2018-2019 is attached.

Total amount of bonds or notes reflected on Schedule of Financing for Fiscal Year 2018-2019:	\$ 436,000,000
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Total amount of bonds reflected on schedule, designed to produce proceeds for mortgage loans:	\$ 398,110,000
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Total amount of bonds or notes reflected on schedule related to refunding (not expected to produce proceeds for mortgage loans this fiscal year):	\$ 37,890,000
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**TENNESSEE HOUSING DEVELOPMENT AGENCY**  
**SCHEDULE OF FINANCING**  
**FISCAL YEAR 2018-2019**

**ISSUE 2018-3 - RESIDENTIAL FINANCE PROGRAM BONDS –NEW VOLUME CAP/REFUNDING**  
**August 2018**

Sources of Funds

Proceeds of the Issue	\$ 100,000,000
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Uses of Funds

To Purchase Mortgage Loans or Refund Outstanding Bonds	\$ 100,000,000
Bond Reserve Funds	)
Underwriting Fee/Bond Discount	)
Capitalized Interest	)
Cost of Issuance	)

\$ THDA contribution, or no more than 1% of  
bond proceeds, or a combination thereof

**ISSUE 2018-4 - RESIDENTIAL FINANCE PROGRAM BONDS –NEW VOLUME CAP**  
**November 2018**

Sources of Funds

Proceeds of the Issue	\$ 120,000,000
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Uses of Funds

To Purchase Mortgage Loans or Refund Outstanding Bonds	\$ 120,000,000
Bond Reserve Funds	)
Underwriting Fee/Bond Discount	)
Capitalized Interest	)
Cost of Issuance	)

\$ THDA contribution, or no more than 1% of  
bond proceeds, or a combination thereof



**ISSUE 2019-1 - RESIDENTIAL FINANCE BONDS –NEW VOLUME CAP/REFUNDING  
February 2019**

Sources of Funds

Proceeds of the Issue	\$ 100,000,000
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Uses of Funds

To Purchase Mortgage Loans or Refund Outstanding Bonds	\$ 100,000,000
Bond Reserve Funds	)
Underwriting Fee/Bond Discount	)
Capitalized Interest	)
Cost of Issuance	)
	\$ THDA contribution, or no more than 1% of bond proceeds, or a combination thereof

**ISSUE 2019-2 - RESIDENTIAL FINANCE PROGRAM BONDS –NEW VOLUME CAP/REFUNDING  
May 2019**

Sources of Funds

Proceeds of the Issue	\$ 116,000,000
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Uses of Funds

To Purchase Mortgage Loans or Refund Outstanding Bonds	\$ 116,000,000
Bond Reserve Funds	)
Underwriting Fee/Bond Discount	)
Capitalized Interest	)
Cost of Issuance	)
	\$ THDA contribution, or no more than 1% of bond proceeds, or a combination thereof

**Single Family Bonds Sold in FY 2016-2017**

\$ 99,900,000	Issue 2017-3 Residential Finance Program Bonds, Dated September 28, 2017
\$ 99,900,000	Issue 2017-4 Residential Finance Program Bonds, Dated December 19, 2017
\$ 99,900,000	Issue 2018-1 Residential Finance Program Bonds, Dated March 29, 2018
\$ 160,000,000	Issue 2018-2 Residential Finance Program Bonds, Dated June 12, 2018
<b>TOTAL</b>	<b>\$ 459,700,000</b> (includes approximately \$24,535,000 in refundings)

<b>Multifamily Bonds Sold in FY 2016-2017</b>	<b>\$</b>	<b>0</b>	
<b>Volume Cap Used by Local Issuers For Multi-Family Housing in 2017</b>	<b>\$ 198,100,000</b>		From THDA's 2017 Volume Cap Allocation
<b>Volume Cap Available to Local Issuers For Multi-Family Housing in 2018</b>	<b>\$ 346,000,000</b>		From THDA's 2018 Volume Cap Allocation

## **ASSUMPTIONS**

1. A bond issue may include any structure authorized by the Board and approved by the Bond Finance Committee, including, without limitation, convertible option bonds, short term notes, variable rate debt, taxable debt, planned amortization class bonds.
2. Dates of bond issues are based on estimated absorption of available funds and expected need for additional funds for three to four months, subject to the actual rate at which mortgage loans are currently being purchased.
3. THDA anticipates taking the maximum spread allowed under federal law for each bond issue, which is 112 basis points. The maximum spread could, however, be reduced based on program requirements at the time of sale. Interest rates for THDA loans could be further subsidized.
4. THDA anticipates future bonds will be issued under the 2013 General Resolution to continue to reduce the moral obligation of the state for THDA bonds.
5. The volume cap assumption is that 35% of the annual total tax-exempt bond authority amount available in Tennessee is made available to THDA at the beginning of each calendar year. This is the allocation to THDA for all tax-exempt housing bond issuance in the state in the current Department of Economic and Community Development plan. For bond issues in calendar year 2018, volume cap carried forward from 2015 will be used. THDA currently has \$536,842,000 in 2015 carried forward volume cap available. For bond issues in calendar year 2019, volume cap THDA carried forward from 2016 will be used. THDA currently has \$494,157,000 in 2016 carried forward volume cap available. Unused 2015 volume cap will be made available for the THDA Mortgage Credit Certificate Program by making the required elections on or before December 31, 2018.
6. A THDA contribution may be made with each bond issue as needed to over-collateralize the bond issue for the benefit of THDA borrowers, to fund required reserves, to pay cost of issuance and to ensure that the maximum amount of bond proceeds is used to fund mortgage loans. The amount and source of the THDA contribution is determined at the time it is needed. The amount of the contribution, if needed, is based on the structure of the bond issues, an analysis of debt service requirements of the general resolution under which the bonds are issued, the fee paid to underwriters and an estimate of other costs of issuance expected to be incurred. The source of such THDA contribution is assets available for such purpose under the 2013 General Resolution, 1985 General Resolution or the 2009 General Resolution.

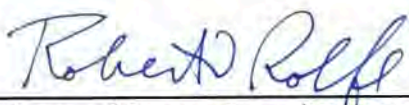
## FastTrack Report to State Funding Board

6/12/2018

1. Previous FastTrack Balance, as of Last Report	221,822,284.49
2. + New Appropriations:	38,000,000.00
3. + Newly Deobligated Funds:	4,144,037.94
4. + Funds Transferred to FastTrack:	0.00
5. - Funds Transferred from FastTrack:	(6,000,000.00)
6. - FastTrack Grants or Loans Approved Greater Than \$750,000:	(9,810,000.00)
7. - FastTrack Grants or Loans Approved Less Than \$750,000:	(118,680.00)
8. - FastTrack Administration	(60,263.96)
9. Adjusted FastTrack Balance Available for Funding FastTrack Grants or Loans:	247,977,378.47
10. Total Amount of Commitments:	205,108,536.78
11. Uncommitted FastTrack:	42,868,841.69
12. Percentage Committed:	82.7%
13. Amount of Proposed Grants or Loans:	29,371,000.00
14. Uncommitted FastTrack Balance if Proposed Grants or Loans Approved:	13,497,841.69
15. Percentage Committed:	94.6%

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: 6/13/18



## Department of Economic and Community Development

Bob Rolfe  
Commissioner

Bill Haslam  
Governor

June 19, 2018

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. Atlasbx America Corp. – Clarksville (Montgomery County)**

Atlasbx America Corp. is a manufacturer of storage batteries primarily in South Korea. It produces batteries for traditional passenger cars, light trucks, electric vehicles, commercial vehicles, boats, and recreational vehicles. The company has a 74-year history of producing high-quality batteries. It currently operates two manufacturing plants in South Korea, which is also the location of its global headquarters office. Atlasbx America Corp. also maintains a headquarters office in Nashville that was established in 2017. Atlasbx America Corp. is a sister company of Hankook Tire America Corp.

Atlasbx plans to build a new manufacturing facility in Clarksville and the facility will be completed by 2020. The company will produce approximately 2.4 million batteries per year at the Clarksville facility, and the facility will be equipped with a dedicated Absorbent Glass Mat (AGM) line, a high-performance battery for start-stop vehicles.





## Department of Economic and Community Development

Bob Rolfe  
Commissioner

Bill Haslam  
Governor

Atlasbx America Corp. has committed to create 200 new jobs and make a \$74,445,000 capital investment within five years. The company will have an average wage of \$16.95 per hour for the new positions.

FastTrack Economic Development Grant funds will be used to offset the costs that will be incurred in new building construction at the Clarksville site. **(\$3,000,000)**

**Total FastTrack funds for this project - \$3,000,000**

### **2. DENSO Manufacturing Tennessee – Maryville (Blount County)**

DENSO Manufacturing Tennessee is a tier one automotive supplier and a subsidiary of DENSO Corporation. DENSO Corporation, headquartered in Kariya, Aichi prefecture, Japan, is a leading global automotive supplier of various advanced technologies. Its customers include all the world's major carmakers, including GM, Ford, Mazda, Honda, Nissan, Toyota, and Volvo.

DENSO has had a presence in Tennessee for nearly three decades. The company has three locations in the state – Maryville, Athens, and Wilson County – and employs roughly 4,500 people. The Maryville campus, which is DENSO's largest U.S. manufacturing facility, consists of four manufacturing plants on 194 acres and is Blount County's largest employer. With this expansion, DENSO will expand multiple production lines to produce advanced safety, connectivity and electrification products for hybrid and electric vehicles. These new products will radically improve fuel efficiency and preserve electric power by recovering and recycling energy, and by connecting all systems and products inside the vehicles.

DENSO Manufacturing Tennessee has committed to create 1,000 new jobs and make a \$1,000,000,000 capital investment within five years. The company will have an average wage of \$22.72 per hour for the new positions.

FastTrack Economic Development Grant funds will be used to offset the costs that will be incurred in new construction at the Maryville location. **(\$20,000,000)**

FastTrack Job Training Grant funds will be used to train the new employees. **(\$1,500,000)**

**Total FastTrack funds for this project - \$21,500,000**



## Department of Economic and Community Development

Bob Rolfe  
Commissioner

Bill Haslam  
Governor

### **3. Flextronics Logistics USA, Inc. and Flextronics International USA, Inc. – Memphis (Shelby County)**

Flextronics Logistics USA, Inc. and Flextronics International USA, Inc. (Flex) is the world's second largest electronics manufacturing service and original design manufacturing company by revenue, behind only Taiwan's Foxconn. Flextronics Logistics USA, Inc. and Flextronics International USA, Inc. is headquartered in Singapore and has operations in forty countries employing approximately 200,000 people. Its Memphis facility provides repair and refurbishment services, primarily for electronic devices, handling as many as 3,000 units per day.

With this project, Flextronics Logistics USA, Inc. and Flextronics International USA, Inc. will be consolidating some out-of-state operations into its existing Memphis facility, forming a North American supercenter.

Flextronics Logistics USA, Inc. and Flextronics International USA, Inc. has committed to create 300 new jobs and make a \$5,600,000 capital investment within five years. The company will have an average wage of \$15.07 per hour for the new positions.

FastTrack Economic Development Grant funds will be used to offset the costs that will be incurred in building retrofit and roof improvements at the Memphis facility. **(\$1,500,000)**

FastTrack Job Training Grant funds will be used to offset costs that will be incurred in training the new employees. **(\$750,000)**

**Total FastTrack funds for this project - \$2,250,000**

### **4. Nidec Motor Company dba Leroy Somer Americas – Lexington (Henderson County)**

Nidec Motor Company is a leading electric motor manufacturer. The company has several innovative brands in their portfolio, including the CONTROL TECHNIQUES brand, the HURST brand, the LEROY-SOMER brand, the MERKLE-KORFF brand and the U.S.





## Department of Economic and Community Development

Bob Rolfe  
Commissioner

Bill Haslam  
Governor

MOTORS brand. Many of Nidec's products and services are focused on delivering two of the drivers for our modern-day markets: variable speed operation and high energy efficiency. They manufacture many high-efficiency products that fall into the brushless DC (BLDC) motor, controlled induction motor (CIM), and switched reluctance (SR) motor categories.

Formerly owned by Emerson Electric, the Leroy Somer facility in Lexington officially fell under the ownership of Nidec Motor Company in February of 2017. With this project, Nidec Motor Company will add new products to their current portfolio. These new products include component parts, sheet metal, and coil winding functionalities.

Nidec Motor Company dba Leroy Somer Americas has committed to create 301 new jobs and make an \$18,740,000 capital investment within five years. The company will have an average wage of \$19.41 per hour for the new positions.

FastTrack Economic Development Grant funds will be used to offset the costs that will be incurred in building retrofit, building improvements, roof improvements, and relocation of equipment at the Lexington facility. **(\$1,000,000)**

FastTrack Job Training Grant funds will be used to offset the costs that will be incurred in training the new employees. **(\$800,000)**

**Total FastTrack funds for this project - \$1,800,000**

### **5. Petoskey Plastics, Inc. – Morristown (Hamblen County)**

Petoskey Plastics, Inc. is an environmentally-focused film, bag, and resin manufacturer. The company supplies the automotive, medical, grocery, retail, packaging, and construction industries. Headquartered in Petoskey, MI, Petoskey Plastics operates three manufacturing plants across the United States and employs more than 400 associates. The company's customer base includes thirty Fortune 500 companies and businesses in more than forty-seven countries.

Petoskey Plastics will add 30,000 square feet to its existing Morristown manufacturing facility, which specializes in polyethylene film. The investment will increase capacity at the facility, which has multiple extrusion lines utilizing recycled materials, converting lines, and a four color



## Department of Economic and Community Development

Bob Rolfe  
Commissioner

Bill Haslam  
Governor

offset paper printing press. Work on the expansion is scheduled to begin in the second quarter of 2018. Petoskey Plastics anticipates the first phase of the new expansion will be operational in the fourth quarter of 2018.

Petoskey Plastics, Inc. has committed to create 71 new jobs and make a \$29,607,466 capital investment within five years. The company will have an average wage of \$15.51 per hour for the new positions.

FastTrack Infrastructure Grant Funds will be used for water, sewer, drainage, and transportation improvements at the Morristown site. **(\$750,000)**

FastTrack Job Training Grant funds will be used to offset the costs that will be incurred in training the new employees. **(\$71,000)**

**Total FastTrack funds for this project - \$821,000**

Sincerely,

A handwritten signature in blue ink that reads "Robert D. Rolfe".

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
INFRASTRUCTURE			
TRAINING*			
ECONOMIC DEVELOPMENT	<b>Clarksville-Montgomery County Industrial Development Board</b>	\$3,000,000	
TOTAL		\$3,000,000	

(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): Atlasbx America Corp.

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. ☐

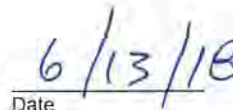
### ECONOMIC DEVELOPMENT

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

June 5, 2018

### INCENTIVE ACCEPTANCE FORM

This form serves as notice that Atlasbx America Corp. intends, in good faith, to create 200 private sector jobs in Clarksville, Montgomery County and make a capital investment of \$74,445,000 in exchange for incentives that will be memorialized in a grant agreement between Atlasbx America Corp. and the State of Tennessee.

#### ECD OFFER SUMMARY

FastTrack Economic Development Grant:	\$ 3,000,000
<b>Total ECD Commitment:</b>	<b>\$ 3,000,000</b>

Please sign your name in the space below to signify Atlasbx America Corp.'s acceptance of ECD's offer set forth above and return it by September 2, 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: 06/13/2018



Department of Economic and Community Development

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Bob Rolfe  
Commissioner

Bill Haslam  
Governor

June 19, 2018

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 Clarksville-Montgomery County Industrial Development Board for the benefit of Atlasbx America Corp. in the amount of \$3,000,000 to offset the costs that will be incurred in new building construction at the Clarksville site. 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 jobs and significant capital investment. Atlasbx America Corp. has committed to create 200 new jobs and to make a \$74,445,000 capital investment within five years. The company will have an average wage of \$16.95 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 "Robert 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			
TRAINING*	DENSO Manufacturing Tennessee	\$1,500,000	
ECONOMIC DEVELOPMENT	Blount Partnership	\$20,000,000	
TOTAL		\$21,500,000	

(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): DENSO Manufacturing Tennessee

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

6/13/18  
Date



## Department of Economic and Community Development

Bob Rolfe  
Commissioner

Bill Haslam  
Governor

May 30, 2018

### INCENTIVE ACCEPTANCE FORM

This form serves as notice that DENSO Manufacturing Tennessee intends, in good faith, to create 1,000 private sector jobs in Maryville, Blount County and make a capital investment of \$1,000,000,000 in exchange for incentives that will be memorialized in a grant agreement between DENSO Manufacturing Tennessee and the State of Tennessee.

#### ECD OFFER SUMMARY

FastTrack Job Training Grant:	\$ 1,500,000
FastTrack Economic Development Grant:	\$ 20,000,000
<b>Total ECD Commitment:</b>	<b>\$ 21,500,000</b>

Please sign your name in the space below to signify DENSO Manufacturing Tennessee's acceptance of ECD's offer set forth above and return it by August 27, 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: Jack Halvorsen  
(Authorized Representative of Company)

Date: 6/15/18



Department of Economic and Community Development

Bob Rolfe  
Commissioner

Bill Haslam  
Governor

June 19, 2018

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 Blount Partnership for the benefit of DENSO Manufacturing Tennessee in the amount of \$20,000,000 to offset the costs that will be incurred in new construction at the Maryville location. 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. DENSO Manufacturing Tennessee has committed to create 1,000 new jobs and to make a \$1,000,000,000 capital investment within five years. The company will have an average wage of \$22.72 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 "Robert 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			
TRAINING*	<b>Flextronics Logistics USA, Inc. and Flextronics International USA, Inc.</b>	\$750,000	
ECONOMIC DEVELOPMENT	<b>Economic Development Growth Engine, Memphis &amp; Shelby County</b>	\$1,500,000	
TOTAL		\$2,250,000	

(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): Flextronics Logistics USA, Inc. and Flextronics International USA, Inc.**

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

#### GENERAL STATUTORY COMPLIANCE

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

#### **Identify which of the following apply:**

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

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

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

### **TRAINING**

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

### **INFRASTRUCTURE**

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

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

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

### **ECONOMIC DEVELOPMENT**

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

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

  
Commissioner of Economic and Community Development

6/13/18  
Date



## Department of Economic and Community Development

Bob Rolfe  
Commissioner

Bill Haslam  
Governor

April 23, 2018

### INCENTIVE ACCEPTANCE FORM

This form serves as notice that Flextronics Logistics USA, Inc. and Flextronics International USA, Inc. intend, in good faith, to create 300 private sector jobs in Memphis, Shelby County and make a capital investment of \$5,600,000 in exchange for incentives that will be memorialized in a grant agreement between Flextronics Logistics USA, Inc. and Flextronics International USA, Inc. and the State of Tennessee.

#### ECD OFFER SUMMARY

FastTrack Job Training Grant:	\$ 750,000
FastTrack Economic Development Grant:	\$ 1,500,000
<b>Total ECD Commitment:</b>	<b>\$ 2,250,000</b>

Please sign your name in the space below to signify Flextronics Logistics USA, Inc. and Flextronics International USA, Inc.'s acceptance of ECD's offer set forth above and return it by July 21, 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: Lori Gray  
(Authorized Representative of Company)

Date: 5/15/18





## Department of Economic and Community Development

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Bob Rolfe  
Commissioner

Bill Haslam  
Governor

June 19, 2018

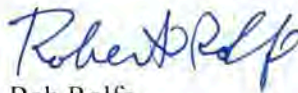
Comptroller Justin Wilson  
First Floor, State Capitol  
Nashville, TN 37243

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 Economic Development Growth Engine, Memphis & Shelby County for the benefit of Flextronics Logistics USA, Inc. and Flextronics International USA, Inc. in the amount of \$1,500,000 to offset the costs that will be incurred in building retrofit and roof improvements at the Memphis facility. The project activities would not be eligible for the FastTrack Infrastructure Development Program.

This project will yield a proportionately significant impact on the community due to the number of jobs and significant capital investment. Flextronics Logistics USA, Inc. and Flextronics USA, Inc. has committed to create 300 new jobs and to make a \$5,600,000 capital investment within five years. The company will have an average wage of \$15.07 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*	Nidec Motor Company dba Leroy Somer Americas	\$800,000	
ECONOMIC DEVELOPMENT	Lexington Industrial Development Board	\$1,000,000	
TOTAL		\$1,800,000	

(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): Nidec Motor Company dba Leroy Somer Americas

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. ☐

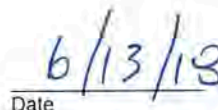
### ECONOMIC DEVELOPMENT

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

May 24, 2018

### INCENTIVE ACCEPTANCE FORM

This form serves as notice that Nidec Motor Company dba Leroy Somer Americas intends, in good faith, to create 301 private sector jobs in Lexington, Henderson County and make a capital investment of \$18,740,000 in exchange for incentives that will be memorialized in a grant agreement between Nidec Motor Company dba Leroy Somer Americas and the State of Tennessee.

#### ECD OFFER SUMMARY

FastTrack Job Training Grant:	\$ 800,000
FastTrack Economic Development Grant:	\$ 1,000,000
<b>Total ECD Commitment:</b>	<b>\$ 1,800,000</b>

Please sign your name in the space below to signify Nidec Motor Company dba Leroy Somer Americas' acceptance of ECD's offer set forth above and return it by August 21, 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: [Signature]  
(Authorized Representative of Company)

Date: 5/29/18



## Department of Economic and Community Development

Bob Rolfe  
Commissioner

Bill Haslam  
Governor

June 19, 2018

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 Lexington Industrial Development Board for the benefit of Nidec Motor Company dba Leroy Somer Americas in the amount of \$1,000,000 to offset the costs that will be incurred in building retrofit, building improvements, roof improvements, and relocation of equipment at the Lexington facility. The project activities would not be eligible for the FastTrack Infrastructure Development Program.

This project will yield a proportionately significant impact on the rural community due to the number of high-wage jobs and significant capital investment. Nidec Motor Company dba Leroy Somer Americas has committed to create 301 new jobs and to make an \$18,740,000 capital investment within five years. The company will have an average wage of \$19.41 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 "Robert 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	City of Morristown, Tennessee	\$750,000	
TRAINING*	Petoskey Plastics, Inc.	\$71,000	
ECONOMIC DEVELOPMENT			
TOTAL		\$821,000	

(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): Petoskey Plastics, 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)? ☐ Yes ☒ No  
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).
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

6/13/18  
Date



## Department of Economic and Community Development

Bob Rolfe  
Commissioner

Bill Haslam  
Governor

February 14, 2018

### INCENTIVE ACCEPTANCE FORM

This form serves as notice that Petoskey Plastics, Inc. intends, in good faith, to create 71 private sector jobs in Hamblen County and make a capital investment of \$29,607,466 in exchange for incentives that will be memorialized in a grant agreement between Petoskey Plastics, Inc. and the State of Tennessee.

#### ECD OFFER SUMMARY

FastTrack Infrastructure Grant:	\$ 750,000
FastTrack Job Training Grant:	\$ 71,000
<b>Total ECD Commitment:</b>	<b>\$ 821,000</b>

Please sign your name in the space below to signify Petoskey Plastics, Inc.'s acceptance of ECD's offer set forth above and return it by May 14, 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: *Dustin D. Hahnel* *CORPORATE TREASURER* Date: 2/16/18  
(Authorized Representative of Company)



**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM  
STATE OF TENNESSEE**



**DAVID H. LILLARD, JR.**  
STATE TREASURER

**TREASURY DEPARTMENT**  
STATE CAPITOL  
NASHVILLE, TENNESSEE 37243-0225

**MARY JO PRICE**  
CHIEF OPERATING OFFICER

**MICHAEL BRAKEBILL**  
CHIEF INVESTMENT OFFICER

**JAMIE WAYMAN**  
DIRECTOR OF TCRS

June 19, 2018

The Honorable Justin Wilson  
Secretary of the Funding Board  
Comptroller of the Treasury  
State Capitol, 1st Floor  
Nashville, TN 37243

Dear Comptroller Wilson:

The Tennessee Consolidated Retirement System ("TCRS") has entered into an amended and restated contract (the "Contract") with the State of Tennessee (the "State"), acting by and through the State Funding Board, whereby TCRS serves as a standby purchaser under the State's commercial paper program. The Contract was effective as of July 1, 2016 and expires on July 1, 2021.

Either party may terminate the Contract by giving notice to the other party at least the longer of (i) ninety (90) calendar days or (ii) the remaining number of calendar days to maturity of any then-outstanding commercial paper plus one (1) calendar day. TCRS does not presently plan to terminate the Contract at any time prior to July 1, 2019.

Tennessee Code Annotated, Section 8-37-104 (a)(8) authorizes TCRS to serve as a standby note purchaser. The Board of Trustees (the "Board") of TCRS has adopted a provision in the investment policy of TCRS (the "Policy") authorizing TCRS to enter into such contracts.

Pursuant to the powers accorded it in Tennessee Code Annotated, Section 8-3 7-110 and in the Policy, the Board has delegated implementation of the Policy to the Treasurer. The Policy further provides that the Treasurer has delegated certain responsibilities to the Chief Investment Officer of TCRS, including the power to invest and reinvest the assets of TCRS.

Accordingly, I have the authority to issue this letter on behalf of TCRS.

Sincerely,

  
Michael Brakebill, CFA  
Chief Investment Officer



JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Chief of Staff*

June 19, 2018

Mr. Michael Brakebill  
Chief Investment Officer  
Tennessee Consolidated Retirement System  
Nashville, TN 37243

Dear Mr. Brakebill:

The Tennessee Consolidated Retirement System ("TCRS") has entered into an amended and restated contract (the "Contract") with the State of Tennessee (the "State"), acting by and through the State Funding Board, whereby TCRS serves as a standby purchaser under the State's commercial paper program. The Contract was effective as of July 1, 2016 and expires on July 1, 2021.

Either party may terminate the Contract by giving notice to the other party of at least the longer of (i) ninety (90) calendar days or (ii) the remaining number of calendar days to maturity of any then-outstanding commercial paper plus one (1) calendar day. You have informed me that TCRS does not presently plan to terminate the Contract at any time prior to July 1, 2019.

In consideration of, and in response to, your advance notification that TCRS will not cancel during the upcoming fiscal year, I am authorized to inform you that the State Funding Board also does not plan to terminate the Contract at any time prior to July 1, 2019.

Sincerely,

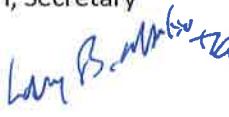
Justin P. Wilson  
Secretary, State Funding Board

June 19, 2018

MEMORANDUM

TO: The Honorable Justin P. Wilson, Secretary  
State Funding Board

FROM: Larry B. Martin, Commissioner



SUBJECT: Franchise Tax Reduction

This memorandum shall serve as confirmation of the following:

1. All payments due pursuant to Tennessee Code Annotated Title 9, Chapter 9 have been made in full;
2. The State is not in default in the payment of any outstanding debt or in the payment of interest thereon; and
3. Notwithstanding the lowering of the collections in the taxes imposed by the franchise tax law compiled in Title 67, Chapter 4, Part 21, Tennessee Code Annotated, such collections will be fully sufficient to provide funds adequate to meet all payments required to be made by the State Funding Board in the upcoming fiscal year and to provide for the other obligations of the State in Fiscal Year 2018-2019.

LBM:DT:ars

cc: Office of State and Local Finance  
F&A - Division of Budget

**RESOLUTION MAKING FINDINGS  
FOR DECREASE IN SPECIAL REVENUES**

WHEREAS, Section 9-9-104(a), Tennessee Code Annotated (“Section 9-9-104(a)”), pledges, inter alia, for the payment of the principal of and interest on the bonds of the State of Tennessee (the “State”) issued under Title 9, Chapter 9, Tennessee Code Annotated, outstanding as of July 1, 2013, the entire annual proceeds (the “Franchise Tax Proceeds”) of franchise taxes imposed by the franchise tax law compiled in Title 67, Chapter 4, Part 21, Tennessee Code Annotated; and

WHEREAS, the State has covenanted with the holders of such bonds that it will not decrease by legislative action any of the fees or taxes pledged pursuant to Section 9-9-104(a), including, without limitation, the Franchise Tax Proceeds, or eliminate from the requirement to pay such fees or taxes any substance, motor vehicle or corporation on account of which the payment of such fees or taxes is required, unless the Funding Board of the State of Tennessee (the “State Funding Board”) shall certify as required by Section 9-9-104(b), Tennessee Code Annotated (“Section 9-9-104(b)”); and

WHEREAS, the method of apportionment of net worth contained in Section 67-4-2111(l), Tennessee Code Annotated (the “Subsection”), which method applies to tax years beginning on or after January 1, 2017, is expected by the Department of Finance and Administration to result in a decrease in the Franchise Tax Proceeds for the fiscal year 2018-2019; and

WHEREAS, part (5) of the Subsection provides that the Subsection shall be operative only for such fiscal years as to which the State Funding Board shall have made a certification pursuant to Section 9-9-104(b).

NOW, THEREFORE, BE IT RESOLVED by the State Funding Board, and the State Funding Board hereby certifies, pursuant to Section 9-9-104(b), as follows:

1. All payments due the State Funding Board under Title 9, Chapter 9, Tennessee Code Annotated, have been made in full;
2. The State is not in default in the payment of any outstanding debt or in the payment of interest thereon; and
3. The fees and taxes pledged pursuant to Section 9-9-104(a), including, without limitation, the Franchise Tax Proceeds, calculated as required by the Subsection, for the fiscal year 2018-2019 will be sufficient to provide funds adequate to meet all payments required to be made by the State Funding Board in such fiscal year, as well as to provide for the other obligations and expenses of the State for such fiscal year to be defrayed therefrom.

BE IT FURTHER RESOLVED by the State Funding Board that this Resolution shall take effect immediately upon its adoption.

# **Tennessee State Funding Board Guidelines**

## **Debt Reporting by Industrial Development Corporations**

### **1. Background**

Title 7, Chapter 53 of the Tennessee Code Annotated (“T.C.A”) authorizes the formation of industrial development corporations (“IDC”) for the purpose of maintaining and increasing employment opportunities, agricultural commodities, and available housing, as well as addressing environmental pollution. Public Chapter 529, Acts of 2018 (the “Act”) creates transparency related to IDC debt by adding to T.C.A. § 7-53-304 a requirement that each IDC maintain an aggregate listing of its current debt, including conduit debt, in accordance with guidelines approved by the Tennessee State Funding Board (the “SFB”). Each IDC will annually file with the SFB the list and any information required by the SFB. Additionally, each IDC is required to file with the SFB a notice within fifteen (15) days of an event of default on any of its debt obligations.

In response to the Act, the SFB has adopted effective \_\_\_\_\_, 2018, these Guidelines for Debt Reporting by IDCs (the “Guidelines”) which apply to fiscal years ending on or after on June 30, 2018.

### **2. Reporting**

#### **A. Annual Reporting**

Within 30 days of the closing of each fiscal year, all IDCs with debt outstanding at any time during that fiscal year must submit to the SFB the items listed below. Only for the fiscal year ending in 2018, IDCs have 90 days within the close of fiscal year 2018 to submit.

#### **Required Items**

- a. Report on Outstanding Debt Form
  - i. The reporting format is prescribed in Appendix A.
- b. List of the IDC Board Members, IDC Counsel, Financial Advisor (as applicable), and Authorized Representative
  - i. Include name, title, company/government, physical and email addresses, phone number.

If requested by the Comptroller of the Treasury (or designee)

- a. Report(s) on Debt Obligation (CT-0253 Form(s) – stamped copies)
- b. Loan document(s) for debt without official statements or similar documents reported on the MSRB’s EMMA website
- c. Derivative agreements not reported on the MSRB’s EMMA website
- d. Any other information as may be required



**B. Notice of Default**

In the event of default, the IDC shall file a notice of default within fifteen (15) days of the default. The reporting format is prescribed in Appendix B.

**3. Defined Terms**

- a. “Authorized Representative” shall mean the individual the IDC has authorized to compile and submit information pursuant the Act and these Guidelines.
- b. “Debt” shall mean, any bond, note, loan agreement or any other evidence of a debt obligation, including leases, in which the IDC, either directly or indirectly, incurs an definite and absolute obligation to the payment of the principal of and interest on the debt obligation.
- c. “Conduit Debt Obligation” shall mean a debt obligation issued by the IDC to provide capital financing for a public or private entity.
- d. “Default” shall mean a failure to pay principal of or interest on a debt when due or a failure to comply with other covenant, promise or duty imposed by the debt documents.
- e. “Industrial Development Corporation” shall mean any corporation organized pursuant to Title 7, Chapter 53, Tennessee Code Annotated.
- f. “Report on Debt Obligation” shall mean State Form CT-0253 as prescribed in T.C.A. § 9-21-151.
- g. “Report on Outstanding Debt” shall mean the annual listing of debt to be completed by the authorized representative, using the reporting format as prescribed in Appendix A.

**Appendix A**  
**Industrial Development Corporations**  
**Report on Outstanding Debt**

**Instructions**

The Report on Outstanding Debt Form (the “Form”) must be prepared annually for each Industrial Development Corporation (“IDC”) with debt outstanding, including conduit debt. Debt obligations shall be individually listed. All the reporting items in the Form are required for each individual debt issue. In the header please list Fiscal year for which aggregate debt is being reported, the name of the IDC as listed in its certificate of incorporation, the name of the county/counties where the IDC is located, and the contact information for the individuals indicated.

**Reporting Items and Definitions**

**A. Name of Debt Issue**

The name of the debt issue as reported on the official statement or offering memorandum or other loan document; for example: “Tax Increment Revenue Bonds (ABC Project), Series 2018.” Debt includes any bond, note, loan agreement or any other evidence of a debt obligation, including leases, in which the IDC, either directly or indirectly, incurs a definite and absolute obligation to the payment of the principal of and interest on the debt obligation.

**B. Dated Date**

The date that interest begins to accrue for the debt.

**C. Final Maturity**

The date of the final principal payment on the debt.

**D. Original Amount**

The face amount of debt issue at the date of issuance, not including premium or discount.

**E. Amount Outstanding at Fiscal Year End**

The amount of the principal remaining outstanding as of the end of the reporting fiscal year.

**F. Interest Rate**

The rate of interest on the debt: for fixed rate debt use either TIC, APR; for variable rate debt list the spread and index.

**G. Tax Status**

The federal tax status of the debt: (Taxable or Tax-exempt).

**H. Name of Project**

Name of project(s) financed by the bonds issued; for example: purchase of land and construction of a commercial building to be leased to ABC Corporation or “XYW Development Phase I”.

**I. Type of Debt**

Conduit to a business, conduit to a government, or debt of the IDC.

**J. Obligor**

For conduit debt issues, identify the Obligor, the business or government responsible for making principal and interest payments. This obligation to make payment is typically accomplished through a separate loan agreement, lease agreement, or other payment arrangement between the IDC and Obligor. For debt issues that are not conduit debt, identify as not applicable (“N/A”).

**K. Type of Issuance**

Marketable security, direct placement, or loan.

**L. Security**

Revenue or General Obligation Pledge.

**M. Source of Revenue**

Identification of the specific source of revenue pledged to secure the payment of principal and interest; for example: lease revenue, rental revenue, appropriations, loan agreement payments, Tax Increment Financing (TIF) funds, direct payment from conduit borrower, or other special revenue (drop down list).

**N. Refunding**

Did this issue refund or refinance a previous issue – Yes or No?

**O. CT-0253 Filing Date**

The date the Report on Debt Obligation (Form CT-0253) was filed with the Comptroller’s Office of State and Local Finance.

**P. Reporting on MSRB/EMMA**

Has this debt been reported on the Municipal Securities Rulemaking Board’s (MSRB) Electronic Municipal Market Access (EMMA) – Yes or No?

**Q. Event of Default**

Has there been an Event of Default, such as late or non-payment of principal and/or interest, or technical default -- Yes or No? If yes, was notice given – Yes or no?

**R. Balloon Debt Structure**

Was the debt issued with a balloon debt structure: Yes or No?

**S. Derivative**

If there is a derivative product or contract associated with the debt issue, report the notional amount of derivative and the type of derivative; for example: Notional Amount: \$750,000, Type: Interest Rate Swap.

**T. Rating**

If there is a credit rating on the bond identify the ratings as follows: Moody’s (xxx), S&P (xxx), Fitch (xxx), e.g., Aa2, AA-, N/A. Enter “N/A” if no application for rating was made.

**Appendix B**  
**Industrial Development Corporations**  
**Notice of Default Form**  
**Instructions**

The Industrial Development Corporation (“IDC”) must report an event of default within fifteen (15) days of its occurrence. A copy of the official statement, offering memorandum, or loan document, as applicable, shall be included as part of the notice.

**Notice Items and Definitions**

**A. Name of IDC**

The name as listed in its certificate of incorporation.

**B. Contact Information: IDC President, IDC Counsel, Financial Advisor (if applicable), Obligor (if applicable), and Authorized Representative**

Including the name, title, company/government, phone number, and email address.

**C. Name of Defaulted Debt Issue**

The name of the debt issue as reported on the official statement or offering memorandum or other loan document; for example: “Tax Increment Revenue Bonds (ABC Project), Series 2014.”

**D. Dated Date**

The date that interest begins to accrue for the debt

**E. Security of Debt and Source of Revenue**

Include the security, such as lease revenue, *and* the exact source, such as “Payments from 20-Year Lease Agreement with ABC Corporation.”

**F. Amount of Principal Outstanding**

Amortization schedule of debt outstanding.

**G. Type of Debt**

Identify as either direct or conduit.

**H. Detailed Description of Debt**

Include information describing the debt and related sources of revenue pledged to repay the debt.

**I. Type of Default**



Identify as either monetary or technical.

**J. Date of Default**

The date principal and/or interest payment was due and not paid or the date an IDC discovers an event of technical default.

**K. Date Default Reported on EMMA**

The date the defaulted principal and/or interest payment was reported to the MSRB's Electronic Municipal Market Access (EMMA) system.

**L. Reason for Default**

Describe events leading to default. Include the nature of the actual or technical default as well as the cause or default; for example: The IDC failed to make its scheduled principal and interest payments. The IDC secured the debt with lease payments from an industry, ABC Corporation, that filed for bankruptcy.

**M. Detailed Plan to Resolve Default**

Identify the action planned by the governing body to bring the IDC into compliance with its debt covenants.

**N. Additional Comments**

Include any comments pertinent to the defaulted debt issue that are not already addressed within the notice.

**O. Signatures**

Identify the authorized representative for the IDC and/or bond counsel, including telephone numbers and email addresses. Include date of signatures. The date should be within 15 days of the default.

**TENNESSEE STATE FUNDING BOARD  
GUIDELINES FOR APPROVAL OF  
QUALIFIED TOURISM DEVELOPMENT ZONE  
BONDS, NOTES OR OTHER INDEBTEDNESS**

**1. BACKGROUND**

Public Chapter 816, Acts of 2018 (the “Act”) amended the Convention Center and Tourism Development Financing Act of 1998 (Title 7 Chapter 88 of the Tennessee Code Annotated) (the “1998 Act”) to require the Tennessee State Funding Board (the “SFB”) to approve any bonds, notes, or other indebtedness, including any refinancing or refunding, (collectively, “debt”) having a pledge of an allocation of state and local sales and use taxes proposed to be sold pursuant to the 1988 Act. The SFB Guidelines for Approval of Qualified Tourism Development Zone (“TDZ”) debt (the “Guidelines”) take effect on \_\_\_, 2018.

**2. REQUESTING SFB APPROVAL OF TDZ DEBT**

- a. Any request for approval of TDZ debt must be submitted by the CEO of the municipality or public authority issuing the debt (the “Issuer”) in writing mailed to 425 Fifth Avenue North, Nashville, Tennessee 37243 or electronically at ([state.local.finance@cot.tn.gov](mailto:state.local.finance@cot.tn.gov)) to the Assistant Secretary of the SFB.
- b. The request must be submitted at least sixty (60) business days prior to the proposed sale date for the debt.
- c. The request must include all items as specified in the attached checklist of items to be submitted along with the appropriate supporting documentation.

**3. APPROVAL PROCESS**

Upon receipt of a completed submission, the SFB staff will forward the request to the SFB for its consideration. On consideration by the SFB of the request to sell TDZ debt, the SFB will send the requesting Issuer a letter. If the TDZ debt is disapproved, the SFB will include the reason for disapproval. The Issuer may submit a new request for approval if it cures the issue or concerns on which the SFB’s disapproval was based.

#### 4. OTHER REQUIREMENTS

TDZ debt proposed with a balloon structure and /or with an Interest Rate Agreement or Forward Purchase Agreement must first comply with the respective SFB requirements<sup>1</sup>. Determination of compliance or approval must be obtained prior to submitting the request to issue TDZ debt. Additionally, the Issuer's debt management policy must authorize the issuance of the intended financing transaction and require that any such debt cannot be structured for longer than the authorized life of the project financed.

#### 5. DEFINITIONS

- a. **Balloon Indebtedness** means any debt with a delayed principal structure as defined in TCA § 9-21-134(a)(1).
- b. **Chief Executive Officer (CEO)** means the chief elected official of a municipality, or, the chairman or presiding officer of the governing body of the public authority.
- c. **Forward Purchase Agreement** means an agreement providing for the purchase of bonds or other obligations of a municipality or public authority when delivery of such bonds or other obligations will occur on a date greater than ninety (90) days from the date of execution of such agreement.
- d. **Interest Rate Agreement** means an interest rate swap or exchange agreement, an agreement establishing an interest rate floor or ceiling or both and any other interest rate hedging agreement, including options to enter into or cancel such agreements, as well as the reversal or extension thereof.
- e. **New Money Debt** means debt issued to finance a project. TDZ new money debt is issued to finance the actual construction and acquisition of the QPUF and Qualified Associated Development. TDZ new money debt is secured by the revenues authorized in Title 7, Chapter 88.
- f. **Municipality** means any incorporated city or county located in the state of Tennessee, including a county with a metropolitan form of government. [TCA § 7-88-103(4)]
- g. **Public Authority** means any agency, authority or instrumentality created or authorized by any municipality or by two (2) or more municipalities acting jointly, including, but not limited to, any public building authority organized pursuant to the Public Building Authorities Act of 1971, compiled in title 12, chapter 10 or an

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<sup>1</sup> See the links below for:

SFB Guidelines for Comptroller Approval of Balloon Indebtedness <https://www.comptroller.tn.gov/sl/balloon.asp>  
SFB Guidelines for Interest Rate/Forward Purchase Agreement <https://www.comptroller.tn.gov/sl/lfstfundbd.asp>

industrial development corporation organized pursuant to Title 7 chapter 53 of the Tennessee Code Annotated. [TCA § 7-88-103(5)]

- h. **Qualified Associated Development** means improvements constructed or renovated by the Issuer in connection with the public use facility and related infrastructure and utility improvements for public or private peripheral development included in a master development plan for the tourism development zone and that is constructed, renovated or installed by the municipality or the public authority. [TCA § 7-88-103(6)].
- i. **Qualified Public Use Facility (QPUF)**
  - i. a project meeting the requirements of the Local Government Public Obligations Act of 1986, compiled in title 9, chapter 21, or of Title 7 chapter 53 or chapter 89.
  - ii. Qualified public use facility also includes qualified associated development. An investment in qualified public use facilities required by a lease from a municipality shall be considered a local investment of public funds for the purposes of this Title 7 Chapter 88 of the Tennessee Code Annotated. [TCA § 7-88-103(7)].
- j. **Refunding Debt** means the refinancing of debt in accordance with State statutes.
- k. **Secondary Tourist Development Zone** means a tourist development zone that at the time of its creation is located more than three (3) miles from the county courthouse. [TCA § 7-88-103(8)].
- l. **Structured Lease Agreement** means a lease by a municipality of a qualified public use facility within a tourism development zone financed by bonds issued and outstanding in compliance with TCA § 7-88-107 and for which the issuer of the bonds or the lessor of the facility has entered into certain agreements as provided in TCA § 7-88-103(8).
- m. **Tourism Development Zone (TDZ)** means an area in a municipality:
  - i. designated by ordinance or resolution of such municipality in which a qualified public use facility is located or planned,
  - ii. that is determined by the department of finance and administration to be a beneficially impacted area in accordance with the requirements of this chapter and that is certified as a tourism development zone by the department. The department of finance and administration, in its sole discretion, can reduce or reconfigure a tourism development zone proposed by a municipality. [TCA § 7-88-103(10)].



## **CHECKLIST OF ITEMS TO BE SUBMITTED TO STATE FUNDING BOARD WITH REQUEST FOR APPROVAL TO ISSUE TDZ DEBT**

The following items must be submitted to the State Funding Board (the “SFB”) for a municipality or public authority (“Issuer”) to receive approval to issue debt having a pledge of revenues authorized by Title 7 Chapter 88 that will either finance a Qualified Public Use Facility (“QPUF”) as defined TCA § 7-88-103(7) or refund debt financing a QPUF:

### **TDZ New Money or TDZ Refunding Debt**

1. An approval request letter from the Issuer’s Chief Executive Officer (“CEO”) including the following:
  - a. Contact information for the Issuer’s CEO and Chief Financial Officer.
  - b. Description of the debt
    - i. Type of debt
    - ii. Type of security (i.e. revenue; GO; etc.)
    - iii. Purpose of financing
    - iv. Proposed structure
    - v. Method of Sale
    - vi. Expected debt sale date
  - c. Binding statement asserting that Issuer shall use debt proceeds for the specified QPUF in the TDZ or to refund debt that financed a QPUF in accordance with the requirements of State law
  - d. Binding statement asserting that the Issuer shall not issue new money or subsequent refunding debt with a final maturity extending beyond the final date of the apportionment and distribution of state and local sales and use taxes, as provided in Title 7 Chapter 88.
  - e. Binding statement asserting that the Issuer shall repay the debt if TDZ revenues are not sufficient and describing the sources of those backup monies.
2. Confirmation the project to be financed is the project certified as a QPUF by the Division of Finance and Administration and in the State Building Commission approved application.
3. Debt amortization schedule as required by TCA § 7-88-109 with the approval letter from the Commissioner of the Department of Finance and Administration [TCA § 7-88-109].
4. Adopted Debt Authorizing Resolution.
5. POS or offering memorandum.
6. Draft Structured Lease Agreement if one is associated with the debt.

7. Approved Plan of Balloon Indebtedness if structured as Balloon Indebtedness.
8. Positive Report of Compliance with SFB Guidelines for Interest Rate and Forward Purchase Agreements if required.

### **TDZ Refunding Debt**

The following items must be included with the items listed for submittal previously:

1. Confirmation by the CEO that the project financed by the original debt is still in service and that the project completed with the proceeds of the original debt remains compliant with the requirements of TCA § 7-88-103(7).
2. Documentation of status of the investment requirement.
3. Confirmation of the filing of all required Annual Reports with the Commissioner of the Department of Finance and Administration and the State Building Commission [TCA § 7-88-114(f)]
4. Debt amortization schedule as required by TCA § 7-88-109 with approval letter from the Commissioner of the Department of Finance and Administration [TCA § 7-88-109].
5. Report of the Plan of Refunding from OSLF



JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Chief of Staff*

June 19, 2018

Mr. Michael Brakebill  
Chief Investment Officer  
Tennessee Consolidated Retirement System  
Nashville, TN 37243

Dear Mr. Brakebill:

The Tennessee Consolidated Retirement System ("TCRS") has entered into an amended and restated contract (the "Contract") with the State of Tennessee (the "State"), acting by and through the State Funding Board, whereby TCRS serves as a standby purchaser under the State's commercial paper program. The Contract was effective as of July 1, 2016 and expires on July 1, 2021.

Either party may terminate the Contract by giving notice to the other party of at least the longer of (i) ninety (90) calendar days or (ii) the remaining number of calendar days to maturity of any then-outstanding commercial paper plus one (1) calendar day. You have informed me that TCRS does not presently plan to terminate the Contract at any time prior to July 1, 2019.

In consideration of, and in response to, your advance notification that TCRS will not cancel during the upcoming fiscal year, I am authorized to inform you that the State Funding Board also does not plan to terminate the Contract at any time prior to July 1, 2019.

Sincerely,

A handwritten signature in blue ink that reads "Justin P. Wilson". The signature is fluid and cursive, with the first name "Justin" and last name "Wilson" clearly legible.

Justin P. Wilson  
Secretary, State Funding Board