

TENNESSEE STATE FUNDING BOARD
JULY 17, 2018
AGENDA

1. Call meeting to order
2. Approval of State Funding Board Minutes from June 19, 2018 meeting
3. Report from the Department of Economic and Community Development (ECD) for approval of funding for the following projects:
 - **MTD Consumer Group Inc. - Martin (Weakley County) FastTrack**

Economic Development Grant	\$ 1,000,000
FastTrack Job Training Grant	\$ 760,000
 - **Oshkosh Manufacturing, LLC - Jefferson City (Jefferson County)**

FastTrack Economic Development Grant	\$ 5,000,000
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 - **Thomas & Betts Corporation - Athens (McMinn County)**

FastTrack Economic Development Grant	\$ 710,000
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4. Consideration and approval of a “Resolution Allocating from Debt Service Fund to the Capital Projects Fund \$501,487 and Canceling Authorized Bonds”
5. Consideration and approval of a “Resolution Allocating Funds to Defray a Portion of the Cost of Highway Bridge Construction Projects and to Cancel Authorized Bonds”
6. Consideration and approval of a “Resolution Certifying and Authorizing the Allocation of Funds to the Sinking Fund for the 2018-2019 Fiscal Year”
7. Consideration and approval of a “Resolution Allocating Funds to Defray a Portion of the Cost of Highway Construction Projects and to Cancel Authorized Bonds”
8. Consideration and approval of a “Resolution Authorizing the Issuance of General Obligation Bonds of the State of Tennessee”
9. Report on the State of Tennessee General Obligation Commercial Paper and Bond Indebtedness
10. Adjourn meeting

TENNESSEE STATE FUNDING BOARD

June 19, 2018

The Tennessee State Funding Board (the “Board”) met on Tuesday, June 19, 2018, at 11:00 a.m., in the Tennessee State Capitol, Ground Floor, Executive Conference Room, Nashville, Tennessee. The Honorable Justin Wilson, Comptroller, 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 Bill Haslam, Governor
Commissioner Larry Martin, Department of Finance and Administration

Seeing a physical quorum present, Mr. Wilson called the meeting to order and barring any further comment, asked approval of the minutes from the May 16, 2018 and May 25, 2018 meetings. Mr. Hargett made a motion to approve the minutes. Treasurer Lillard seconded the motion and it was unanimously approved.

Mr. Wilson recognized Mr. Trent Ridley, Chief Financial Officer of the Tennessee Housing Development Agency (“THDA”), who presented for consideration and approval the THDA’s Schedule of Financing (the “Schedule”) for fiscal year 2018-2019. Mr. Ridley stated that the Schedule was previously approved by THDA’s Bond Finance Committee and Board of Directors. Mr. Ridley reported that the Schedule reflected a total of \$436,000,000 in bonds to be issued in fiscal year 2018-2019, which included \$37,890,000 in refunding bonds. Mr. Ridley further reported that as of May 31, 2018, THDA’s total debt was \$1,950,000,000, which included \$225,000,000 issued with the State of Tennessee’s moral obligation. Mr. Wilson inquired if the demand was present for the level of scheduled bond issuances in fiscal year 2018-2019. Mr. Ridley responded affirmatively. Mr. Hargett asked if the demand would surpass the proposed schedule of bond issuances. Mr. Ridley replied that it was possible. Mr. Wilson inquired if there had been an increase in the default rate. Mr. Ridley responded that the default rate had been declining year over year and that Volunteer Mortgage, the servicing agent for THDA’s mortgage loans, had done a good job managing the portfolio. Mr. Wilson moved approval of the Schedule. Mr. Hargett seconded the motion and it was unanimously approved.

Mr. Wilson 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, Assistant Commissioner of Administration, 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, the FastTrack balance was \$221,822,284.49. Since that time, a supplemental appropriation of \$38,000,000, \$20,000,000 for DENSO Manufacturing and \$18,000,000 for Tyson Foods, had been received; \$4,144,037.94 in funds had been deobligated and returned to the FastTrack program; two earmarks from the appropriations bill that will transfer \$6,000,000 from FastTrack to fund expanded training programs at Pellissippi State Community College in relation to the DENSO project and to fund a work-based learning student grant program established by Chapter 991, Public Acts of 2018; \$9,928,680 in new loans had been approved; and \$60,263.96 in funds were spent on FastTrack administrative expenses, which resulted in an adjusted FastTrack balance available for funding grants and loans of \$247,977,378.47 as of the date of the Report. Mr. VanderMeer reported that commitments had been made in the amount of \$205,108,536.78,

resulting in an uncommitted FastTrack balance of \$42,868,841.69. Mr. VanderMeer reported that the projects to be considered at this meeting totaled \$29,371,000.00, and if these projects were approved, the uncommitted balance would be \$13,497,841.69 and the total committed balance would be \$234,479,536.78, which represented 94.6% of the FastTrack balance. Mr. Wilson clarified that the Report did not include any money that would be allocated for fiscal year 2018-2019, and Mr. VanderMeer agreed. Mr. Wilson then asked Mr. Rolfe if he was comfortable with the approximately \$13,500,000 uncommitted amount of funding for the remainder of FY2018. Mr. Rolfe responded affirmatively and added that he was grateful to be able to grant commitments and not run out of money.

Mr. Rolfe requested that the projects were being presented to the Board be presented at one time and Mr. Wilson agreed. Mr. Rolfe then presented the following FastTrack projects:

- **Atlasbx America Corp. – Clarksville (Montgomery County)**
FastTrack Economic Development Grant \$ 3,000,000
- **DENSO Manufacturing Tennessee – Maryville (Blount County)**
FastTrack Economic Development Grant \$20,000,000
FastTrack Job Training Grant \$ 1,500,000
- **Flextronics Logistics USA, Inc. & Flextronics International USA, Inc. – Memphis (Shelby County)**
FastTrack Economic Development Grant \$ 1,500,000
FastTrack Job Training Grant \$ 750,000
- **Nidec Motor Company dba Leroy Somer Americas – Lexington (Henderson County)**
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

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

Mr. Wilson then presented a letter from the Tennessee Consolidated Retirement System (“TCRS”) affirming that TCRS does not intend to exercise its option to cancel the agreement to serve as standby purchaser for the State’s general obligation commercial paper program during fiscal year 2018-2019. Mr. Wilson stated that the letter was presented for financial reporting purposes and requested authority from the Board to notify TCRS of the Board’s intent to not exercise its option to cancel the agreement for the fiscal year 2018-2019. A copy of such letter was included in the packet. Mr. Hargett made a motion to accept the letter from TCRS and authorized the Comptroller to notify TCRS on behalf of the Board. Mr. Lillard seconded the motion, and it was unanimously approved.

Mr. Wilson then brought forth before the Board a “Resolution Making Findings for Decrease in Special Revenues” (the “Resolution”) which was being presented pursuant to Section 9-9-104(b), Tennessee Code Annotated. Mr. Wilson stated that the State was not in default in the payment of any outstanding debt or in

the payment of interest. Mr. Wilson also stated that the State had sufficient funds adequate to meet all payments required to be made by the State Funding Board in the fiscal year 2018-2019. Mr. Wilson further stated that the Board received a letter from the Commissioner of Finance & Administration confirming 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 Board in the upcoming fiscal year and to provide for the other obligations of the State in fiscal year 2018-2019. Mr. Wilson moved for adoption of the resolution. Mr. Hargett seconded the motion, and it was unanimously approved.

Mr. Wilson then presented for discussion the “Tennessee State Funding Board Guidelines for Debt Reporting by Industrial Development Corporations (“IDC”)” (the “IDC Guidelines”). Mr. Wilson stated Public Chapter 529, Acts of 2018 (the “IDC Act”), as codified in T.C.A. § 7-53-304(b), requires that each IDC maintain an aggregate listing of its current debt, including conduit debt obligations, in accordance with guidelines approved by the Board and file this listing and any other information required by the IDC Guidelines to the Board annually. The IDC Act also requires each IDC to file with the Board a notice of default on any of its debt obligations within fifteen (15) days of an event. Mr. Wilson stated that the IDC Guidelines were drafted by the Board’s staff. Mr. Wilson made a motion requesting approval of the Board to direct the staff to post the guidelines for public comment. Mr. Hargett seconded the motion and inquired how long the guidelines should be posted. Mr. Wilson responded 60 days, and the motion was unanimously approved.

Mr. Wilson then brought forth for discussion the “Tennessee State Funding Board Guidelines for Approval of Qualified Tourism Development Zone (“TDZ”) Bonds, Notes or Other Indebtedness” (the “TDZ Guidelines”). Mr. Wilson stated Public Chapter 816, Acts of 2018, amended Title 7, Chapter 88 of the TCA (the “1998 Act”) to require the Board to approve any bonds, notes, or other indebtedness, including and refinancing or refunding, with a pledge of an allocation of state and local sales and use taxes proposed to be sold pursuant to the 1998 Act. Mr. Wilson stated that the TDZ Guidelines were drafted by the Board’s staff. Mr. Wilson made a motion requesting approval of the Board to direct the staff to post the guidelines for public comment for 60 days. Mr. Hargett seconded, and the motion was unanimously approved.

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

Approved on this _____ day of _____ 2018.

Respectfully submitted,

Sandra Thompson
Assistant Secretary

FastTrack Report to State Funding Board

7/10/2018

1. Previous FastTrack Balance, as of Last Report	247,977,378.47
2. + New Appropriations:	108,717,575.96
3. + Newly Deobligated Funds:	79,500.00
4. + Funds Transferred to FastTrack:	0.00
5. - Funds Transferred from FastTrack:	0.00
6. - FastTrack Grants or Loans Approved Greater Than \$750,000:	(12,000,000.00)
7. - FastTrack Grants or Loans Approved Less Than \$750,000:	(1,277,009.00)
8. - FastTrack Administration	(350,744.42)
9. Adjusted FastTrack Balance Available for Funding FastTrack Grants or Loans:	343,146,701.01
10. Total Amount of Commitments:	261,415,944.36
11. Uncommitted FastTrack:	81,730,756.65
12. Percentage Committed:	76.2%
13. Amount of Proposed Grants or Loans:	7,470,000.00
14. Uncommitted FastTrack Balance if Proposed Grants or Loans Approved:	74,260,756.65
15. Percentage Committed:	78.4%

See next page for explanations of the above questions.

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

Robert T. Delfo

Commissioner of Economic and Community Development

Date: 7/12/18



Department of Economic and Community Development

Bob Rolfe
Commissioner

Bill Haslam
Governor

July 17, 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. MTD Consumer Group Inc. – Martin (Weakley County)

MTD Consumer Group Inc. is headquartered in Valley City, Ohio and is a worldwide leader in the outdoor power equipment industry with facilities in Europe, North America, Asia and Australia. The company produces equipment for both residential and commercial markets. MTD's current family of brands includes Cub Cadet, Troy-Bilt, Remington, MTD®, MTD Gold®, MTD Pro®, Yard-Man®, Yard Machines® and Bolens®. MTD products can be found in all channels of distribution, such as home improvement stores, hardware stores, mass retailers, independent dealers and farm supply stores.

MTD Consumer Group Inc. began operations in Martin in 1985 and has expanded its facility footprint to over 1.2 million square feet and now employs over 900 full-time employees. With this project, MTD Consumer Group Inc. plans to bring a new product line to the Martin facility.

MTD Consumer Group Inc. has committed to create 200 full-time jobs and make a \$10,000,000 capital investment within five years. The company will have an average wage of \$15.50 per hour for the new positions.



Department of Economic and Community Development

Bob Rolfe
Commissioner

Bill Haslam
Governor

FastTrack Economic Development Grant funds will be used for electric upgrades, roof repair, fencing, parking lot improvements, building additions, and other facility improvements. **(\$1,000,000)**

FastTrack Job Training Assistance Program funds will be used to train the new employees. **(\$760,000)**

Total FastTrack funds for this project - \$1,760,000

2. Oshkosh Manufacturing, LLC – Jefferson City (Jefferson County)

Oshkosh Manufacturing, LLC is a subsidiary of Oshkosh Corporation, a Fortune-500 company based in Oshkosh, Wisconsin and founded in 1917. Oshkosh Corporation is a global leader in designing and manufacturing a broad range of access equipment, commercial, fire, emergency, military, and specialty vehicles and vehicle bodies. The company has manufacturing operations in eight U.S. states and in Australia, Belgium, Canada, China, France, Mexico and Romania, and through investments in joint ventures, in Mexico and Brazil as well. The company currently employs approximately 13,000 people worldwide and was named the 2017 World's Most Ethical Company by Ethisphere Institute.

The company holds several contracts with the federal government, including a recent \$6.7 billion military contract to build the replacement for the iconic Humvee. This facility will assist in the production of this Joint Light Tactical Vehicle, primarily handling welding operations.

Oshkosh Manufacturing, LLC has committed to create 359 new jobs and make a \$30,600,000 capital investment within five years. The company will have an average wage of \$17.30 per hour for the new positions.

FastTrack Economic Development Grant funds will be used to offset the costs that Oshkosh Manufacturing, LLC will incur in building retrofit, building improvements, relocation of equipment, and infrastructure site improvements. **(\$5,000,000)**

Total FastTrack funds for this project - \$5,000,000



Department of Economic and Community Development

Bob Rolfe
Commissioner

Bill Haslam
Governor

3. Thomas & Betts Corporation – Athens (McMinn County)

Thomas & Betts Corporation, a member of the ABB Group, is a global leader in the design, manufacturing and marketing of essential components used to manage the connection, distribution, transmission and reliability of electrical power in utility, industrial, commercial and residential applications. With a portfolio of more than 200,000 products, marketed under more than 45 premium product brands, Thomas & Betts products are found wherever electricity is used. Thomas & Betts Corporation has six locations throughout Tennessee, including its Corporate Headquarters in Memphis.

This Thomas & Betts Corporation location has been in Athens since 1965 and currently employs 291 people. With this project, a new production process will be moved to the Athens manufacturing location, and the move would be coupled with the upgrading of both automation and real property at the location.

Thomas & Betts Corporation has committed to create 71 new jobs and make an \$18,000,000 capital investment within five years. The company will have an average wage of \$21.71 per hour for the new positions.

FastTrack Economic Development Grant funds will be used to offset the costs that Thomas & Betts Corporation will incur in building expansion, building improvements, relocation of equipment, infrastructure site improvements, and new construction. **(\$710,000)**

Total FastTrack funds for this project - \$710,000

Sincerely,

A handwritten signature in blue ink that reads "Robert Rolfe". The signature is stylized with a large, flowing "R" and a cursive "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
<input type="checkbox"/>	INFRASTRUCTURE			
<input type="checkbox"/>	TRAINING*	MTD Consumer Group Inc.	\$760,000	
<input type="checkbox"/>	ECONOMIC DEVELOPMENT	The Industrial Development Board of Martin, Tennessee	\$1,000,000	
TOTAL			\$1,760,000	

(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): MTD Consumer Group 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. ☐

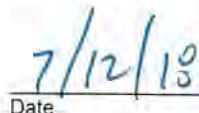
ECONOMIC DEVELOPMENT

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



Date



Department of Economic and Community Development

Bob Rolfe
Commissioner

Bill Haslam
Governor

July 10, 2018

INCENTIVE ACCEPTANCE FORM

This form serves as notice that MTD Consumer Group, Inc. intends, in good faith, to create 200 private sector jobs in Martin, Weakley County and make a capital investment of \$10,000,000 in exchange for incentives that will be memorialized in a grant agreement between MTD Consumer Group, Inc. and the State of Tennessee.

ECD OFFER SUMMARY

FastTrack Job Training Grant:	\$ 760,000
FastTrack Economic Development Grant:	\$ 1,000,000
Total ECD Commitment:	\$ 1,760,000

Please sign your name in the space below to signify MTD Consumer Group, Inc.'s acceptance of ECD's offer set forth above and return it by October 7, 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: Michael Griffith
(Authorized Representative of Company)
Michael Griffith, Treasurer

Date: 7-10-2018



Department of Economic and Community Development

Bob Rolfe
Commissioner

Bill Haslam
Governor

July 17, 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 Industrial Development Board of Martin, Tennessee for the benefit of MTD Consumer Group Inc. in the amount of \$1,000,000 to offset the costs that MTD Consumer Group Inc. will incur in electric upgrades, roof repair, fencing, parking lot improvements, building additions, and other facility improvements. The project activities would not be eligible for the FastTrack Infrastructure Development Program.

This project will yield a proportionately significant impact on the community due to the number of high paying jobs. MTD Consumer Group Inc. has committed to create 200 full-time jobs and to make a \$10,000,000 capital investment within five years. The company will have an average wage of \$15.50 per hour for the new positions. This project will have an exceptional impact.

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
<input type="checkbox"/>	INFRASTRUCTURE			
<input type="checkbox"/>	TRAINING*			
<input type="checkbox"/>	ECONOMIC DEVELOPMENT	Industrial Development Board of Jefferson City, TN	\$5,000,000	
TOTAL			\$5,000,000	

(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): Oshkosh Manufacturing, LLC

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

GENERAL STATUTORY COMPLIANCE

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

Identify which of the following apply:

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

Applicant must answer "Yes" to a or b.

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

TRAINING

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

INFRASTRUCTURE

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

Applicant must answer "Yes" to a or b.

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

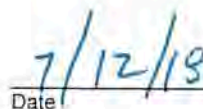
ECONOMIC DEVELOPMENT

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

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



Commissioner of Economic and Community Development



Date



Department of Economic and Community Development

Bob Rolfe
Commissioner

Bill Haslam
Governor

June 26, 2018

INCENTIVE ACCEPTANCE FORM

This form serves as notice that Oshkosh Manufacturing, LLC intends, in good faith, to create 359 private sector jobs in Jefferson City, Jefferson County and make a capital investment of \$30,600,000 in exchange for incentives that will be memorialized in a grant agreement between Oshkosh Manufacturing, LLC and the State of Tennessee.

ECD OFFER SUMMARY

FastTrack Economic Development Grant:	\$ 5,000,000
Total ECD Commitment:	\$ 5,000,000

Please sign your name in the space below to signify Oshkosh Manufacturing, LLC's acceptance of ECD's offer set forth above and return it by September 23, 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: *Don Bent*
(Authorized Representative of Company)

Date: 6/29/2018



Department of Economic and Community Development

Bob Rolfe
Commissioner

Bill Haslam
Governor

July 17, 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 Industrial Development Board of Jefferson City, TN for the benefit of Oshkosh Manufacturing, LLC in the amount of \$5,000,000 to offset the costs Oshkosh Manufacturing, LLC will incur in building retrofit, building improvements, relocation of equipment, and infrastructure site improvements. The project activities would not be eligible for the FastTrack Infrastructure Development Program.

This project will yield a proportionately significant impact on the community due to the number of high paying jobs. Oshkosh Manufacturing, LLC has committed to create 359 net new jobs and to make a \$30,600,000 capital investment within five years. The company will have an average wage of \$17.30 per hour for the new positions. This project will have an exceptional impact.

Sincerely,

A handwritten signature in blue ink that reads "Bob 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	Industrial Development Board of the County of McMinn	\$710,000	
TOTAL		\$710,000	

(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): Thomas & Betts Corporation

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

GENERAL STATUTORY COMPLIANCE

1. Will this new commitment cause the FastTrack appropriations to be over-committed T.C.A. § 4-3-716(g)? ☐ 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. ☐

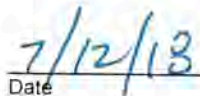
ECONOMIC DEVELOPMENT

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



Date



Department of Economic and Community Development

Bob Rolfe
Commissioner

Bill Haslam
Governor

December 14, 2017

INCENTIVE ACCEPTANCE FORM

This form serves as notice that Thomas & Betts Corporation intends, in good faith, to create 71 private sector jobs in Athens, McMinn County and make a capital investment of \$18,000,000 in exchange for incentives that will be memorialized in a grant agreement between Thomas & Betts Corporation and the State of Tennessee.

ECD OFFER SUMMARY

FastTrack Economic Development Grant:	\$ 710,000
Total ECD Commitment:	\$ 710,000

Please sign your name in the space below to signify Thomas & Betts Corporation's acceptance of ECD's offer set forth above and return it by March 13, 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: 3/19/18



Department of Economic and Community Development

Bob Rolfe
Commissioner

Bill Haslam
Governor

July 17, 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 Industrial Development Board of the County of McMinn for the benefit of Thomas & Betts Corporation in the amount of \$710,000 to offset the costs Thomas & Betts Corporation will incur in building expansion, building improvements, relocation of equipment, infrastructure site improvements, and new construction. 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 paying jobs. Thomas & Betts Corporation has committed to create 71 net new jobs and to make a \$18,000,000 capital investment within five years. The company will have an average wage of \$21.71 per hour for the new positions. This project will have an exceptional impact.

Sincerely,

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

Bob Rolfe

BR/js

**RESOLUTION ALLOCATING FROM DEBT SERVICE
FUND TO THE CAPITAL PROJECTS FUND \$501,487.00
AND CANCELING AUTHORIZED BONDS**

Recitals

The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 591, Public Acts of Tennessee, 2007 (the "2007 Act"), to issue and sell its general obligation bonds in an amount not to exceed Two Hundred Ninety-Five Million Dollars and no cents (\$295,000,000.00) of which Seven Million Dollars and no cents (\$7,000,000.00) is allocated pursuant to Section 4(3) of the 2007 Act (the "Item 3 Bonds") to the Department of Finance and Administration, to provide funds for acquisition of sites and existing structures for expansion purposes for the Tennessee Board of Regents on behalf of the University of Memphis (the "UM").

The State Funding Board has previously canceled Two Million, Eight Hundred Seventy-Eight Thousand, Nine Hundred Twenty-Nine Dollars and Ninety-Seven Cents (\$2,878,929.97) of the Item 3 Bonds. None of the remaining Four Million, One Hundred Twenty-One Thousand, Seventy Dollars and Three Cents (\$4,121,070.03) principal amount of the Item 3 Bonds has been issued as 2007 Act Bonds but cash has been expended from the Capital Projects Fund.

By memorandum dated July 10, 2018, the Commissioner of Finance and Administration notified the State Funding Board that UM has paid Five Hundred One Thousand, Four Hundred Eighty-Seven Dollars and no cents (\$501,487.00) into the Debt Service Fund in accordance with an agreement between UM and the State Funding Board and recommended that: (1) a like amount should be allocated to the Capital Projects Fund and (2) a like amount of general obligation bonds effective in the fiscal year ending June 30, 2018 be canceled.

Be It Resolved By the Funding Board of the State of Tennessee:

1. The project authorized to be financed by the 2007 Act, Item 3 Bonds has been financed in part with current funds and Five Hundred One Thousand, Four Hundred Eighty-Seven Dollars and no cents (\$501,487.00) is no longer needed to fund such authorized project.
2. Five Hundred One Thousand, Four Hundred Eighty-Seven Dollars and no cents (\$501,487.00) in accordance with the authority provided by Tennessee Code Annotated Sections 9-9-205, is allocated from the Debt Service Fund to the Capital Projects Fund to defray the cost of a portion of the Item 3 Bonds.
3. In accordance with the authority provided by Tennessee Code Annotated Sections 9-9-208, and the memorandum from the Commissioner of Finance and Administration dated July 10, 2018, the State Funding Board hereby cancels Five Hundred One Thousand, Four Hundred Eighty-Seven Dollars and no cents (\$501,487.00) of the principal amount authorized by the 2007 Act for the Item 3 Bonds.
4. This resolution shall be retroactively effective as of June 30, 2018 and all resolutions in conflict herewith are hereby repealed.

Adopted by the Funding Board at its meeting on July 17, 2018.

JUSTIN P. WILSON, SECRETARY
TENNESSEE STATE FUNDING BOARD

**RESOLUTION ALLOCATING FUNDS TO DEFRAY A PORTION OF
THE COST OF HIGHWAY BRIDGE CONSTRUCTION PROJECTS
AND CANCELING AUTHORIZED BONDS**

Recitals

(1) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 1109, Public Acts of Tennessee, 2010 (the “2010 Act”), to issue and sell its general obligation bonds in an amount not to exceed One Hundred Ninety-Four Million, One Hundred Thousand Dollars and no cents (\$194,100,000.00) of which Eighty-Seven Million, Five Hundred Thousand Dollars and no cents (\$87,500,000.00) is allocated pursuant to Section 4(4) of the 2010 Act for the Department of Transportation for the purpose of providing funds to be spent for the implementation of Phase II of the Tennessee transportation infrastructure improvement bond program for the construction of bridges and highways (the “2010 Bridge Construction Bonds”).

The Funding Board has previously canceled Eighty-Seven Million, One Hundred Thousand Dollars and no cents (\$87,100,000.00) of the 2010 Bridge Construction Bonds; none of the remaining Four Hundred Thousand Dollars and no cents (\$400,000.00) of the 2010 Bridge Construction Bonds principal amount authorized has been issued.

Section 6, Item 2 (b) of Chapter 460, Public Acts of Tennessee, 2017 (the “2017 Appropriations Act”) directs the Funding Board to cancel highway bonds in an amount equal to the conversion to federal funding related to the bridge construction bonds.

Based on notification from the Tennessee Department of Transportation (“TDOT”) that Four Hundred Thousand Dollars and no cents (\$400,000.00) of the 2010 Bridge Construction Bond authorization was converted to federal financing in the fiscal year ending June 30, 2018, the Commissioner of Finance and Administration by memorandum dated July 10, 2018, recommended that the Funding Board proceed with canceling Four Hundred Thousand Dollars and no cents (\$400,000.00) of the unissued 2010 Bridge Construction Bonds.

(2) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 470, Public Acts of Tennessee, 2011 (the “2011 Act”), to issue and sell its general obligation bonds in an amount not to exceed Two Hundred Seventy-Three Million Dollars and no cents (\$273,000,000.00) of which Eighty-Seven Million, Five Hundred Thousand Dollars and no cents (\$87,500,000.00) is allocated pursuant to Section 4(7) of the 2011 Act for the Department of Transportation for the purpose of providing funds to be spent for the implementation of Phase III of the Tennessee transportation infrastructure improvement bond program for the construction of bridges and highways (the “2011 Bridge Construction Bonds”).

None of the 2011 Bridge Construction Bonds principal amount has been issued.

Section 6, Item 2 (b) of the 2017 Appropriations Act directs the Funding Board to cancel highway bonds in an amount equal to the conversion of federal funding related to the bridge construction bonds.

Based on notification from TDOT that Twenty-Eight Million, Seven Hundred Thousand Dollars and no cents (\$28,700,000.00) of the 2011 Bridge Construction Bond authorization was converted to federal funding in the fiscal year ending June 30, 2018, the Commissioner of Finance and Administration by memorandum dated July 10, 2018, recommended that the Funding Board proceed with canceling Twenty-Eight Million, Seven Hundred Thousand Dollars and no cents (\$28,700,000.00) of the unissued 2011 Bridge Construction Bonds.

Be It Resolved By The Funding Board Of The State Of Tennessee:

1. The projects authorized to be financed by the 2010 Bridge Construction Bonds and the 2011 Bridge Construction Bonds have been financed in whole or in part with current funds and a total of Twenty-Nine Million, One Hundred Thousand Dollars and no cents (\$29,100,000.00) is no longer needed to fund such authorized projects.
2. Four Hundred Thousand Dollars and no cents (\$400,000.00) of the unissued 2010 Bridge Construction Bonds are hereby cancelled.
3. Twenty-Eight Million, Seven Hundred Thousand Dollars and no cents (\$28,700,000.00) of the unissued 2011 Bridge Construction Bonds are hereby cancelled.
4. This resolution shall be retroactively effective as of June 30, 2018, and all resolutions in conflict herewith are hereby repealed.

Adopted by the Funding Board at its meeting on July 17, 2018.

JUSTIN P. WILSON, SECRETARY
TENNESSEE STATE FUNDING BOARD

RESOLUTION CERTIFYING AND AUTHORIZING THE ALLOCATION OF FUNDS TO THE SINKING FUND FOR THE 2018-2019 FISCAL YEAR

Recitals

Pursuant to Chapter 176, Public Acts of Tennessee, 2013 (the “Act”), effective July 1, 2013, the State of Tennessee has pledged in T.C.A. Section 9-9-104 for the payment of debt service on a pro rata basis on its general obligation bonds issued on or before June 30, 2013, the following:

Annual proceeds of a tax to five cents (\$.05) per gallon upon gasoline;
Annual proceeds of the special tax on petroleum products imposed by T.C.A.
Section 67-3-203 (formerly T.C.A. Section 67-3-1303);
One half (1/2) of the annual proceeds of motor vehicle registration fees; and
Entire annual proceeds of franchise taxes imposed by the franchise tax law in
Title 67, Chapter 4, Part 21 (formerly Title 67, Chapter 4, Part 9).

Pursuant to the Act, the State Funding Board is authorized by T.C.A. Section 9-9-106 to certify the amount necessary to provide for the payment of debt service from the fees, taxes and other revenues and funds available for such purpose.

Section 1, Title III-31 of Chapter 1061, Public Acts of Tennessee, 2018, (the “2018 Appropriations Act”) appropriates the aggregate sum of Three Hundred Sixty-Seven Million, One Hundred Forty-Seven Thousand Dollars and no cents (\$367,147,000.00) for debt service expenses and amortization of authorized and unissued bonds for the 2018-2019 fiscal year. Section 1, Title III-33 of the 2018 Appropriations Act, appropriates to the Sinking Fund such amount of the excise tax receipts as determined by the State Funding Board.

The Commissioner of Finance and Administration recommended by memorandum dated July 10, 2018, that the State Funding Board allocate Three Hundred Fifty Million, Five Hundred Eighty-Four Thousand, Six Hundred Dollars and no cents (\$350,584,600.00) in pledged tax revenues. Further, he recommended the following specific dollar allocation of taxes for the payment of debt service on general obligation debt of the State of Tennessee:

<u>TAX OR FEE</u>	<u>AMOUNT</u>	<u>BASIS OF ALLOCATION</u>
Franchise Tax	\$ 18,000,000.00	Equal monthly
Excise Tax	185,584,600.00	Equal monthly
Gasoline Tax	80,200,000.00	Equal monthly
Motor Vehicle Title Fees	2,700,000.00	Equal monthly

Further, he recommended a monthly allocation totaling Sixty-Four Million, One Hundred Thousand Dollars and no cents (\$64,100,000.00) of Sales Tax revenues [which is the estimated allocation of the net receipts of State Sales Tax pursuant to T.C.A. Section 67-6-103]. These recommendations assume (i) utilization of Sports Authority Revenue in the amount of Three Million, Seven Hundred Eight Thousand Dollars and no cents (\$3,708,000.00) and Other Revenues (College and Universities and State Veterans’ Homes) in the amount of Four Million, Seven Hundred Eighty-One Thousand Dollars and no cents (\$4,781,000.00), (ii) a Federal Highway Bridge Funds Match of Four Million, Eight Hundred Thousand Dollars and no cents (\$4,800,000.00), and (iii) an adjusted balance at June 30, 2019 of negative Forty-Two Thousand Dollars and no cents (\$-42,000.00).

Be It Resolved By The Funding Board Of The State Of Tennessee:

1. It is hereby certified to the Commissioner of Finance and Administration that the following sums shall be allocated to the Sinking Fund for debt retirement for the 2018-2019 fiscal year:

<u>SOURCE, TAX OR FEE</u>	<u>AMOUNT</u>	<u>BASIS OF ALLOCATION</u>
Franchise Tax	\$ 18,000,000.00	Equal monthly
Excise Tax	185,584,600.00	Equal monthly
Gasoline Tax	80,200,000.00	Equal monthly
Motor Vehicle Title Fees	2,700,000.00	Equal monthly
Sales Tax (estimated TCA allocation)	64,100,000.00	Monthly

2. This resolution shall be retroactively effective as of July 1, 2018, and all resolutions in conflict herewith are hereby repealed.

Adopted by the Funding Board at its meeting on July 17, 2018.

JUSTIN P. WILSON, SECRETARY
TENNESSEE STATE FUNDING BOARD

**RESOLUTION ALLOCATING FUNDS TO DEFRAY A PORTION OF
THE COST OF HIGHWAY CONSTRUCTION PROJECTS AND
CANCELING AUTHORIZED BONDS**

Recitals

(1) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 1109, Public Acts of Tennessee, 2010 (the “2010 Act”), to issue and sell its general obligation bonds in an amount not to exceed One Hundred Ninety-Four Million, One Hundred Thousand Dollars (\$194,100,000) of which Seventy-Seven Million Dollars (\$77,000,000) is allocated pursuant to Section 4(4) of the 2010 Act (the “2010 DOT Bonds”) for the Department of Transportation for the purpose of providing funds to be spent for the construction of highways and highway projects.

None of the 2010 DOT Bonds principal amount authorized has been issued.

Section 6, Item 2(a) of Chapter 1061, Public Acts of Tennessee, 2018, (the “2018 Appropriations Act”) appropriates to the Funding Board the sum of Seventy-Seven Million Dollars (\$77,000,000) to cancel a like amount of unissued 2010 DOT Bonds.

The Commissioner of Finance and Administration by memorandum dated July 10, 2018, recommended that the Funding Board proceed with canceling Seventy-Seven Million Dollars (\$77,000,000) of the unissued 2010 DOT Bonds.

(2) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 1024, Public Acts of Tennessee, 2012 (the “2012 Act”), to issue and sell its general obligation bonds in an amount not to exceed Three Hundred Eighty-One Million, Nine Hundred Thousand Dollars (\$381,900,000) of which Eighty Million Dollars (\$80,000,000) is allocated pursuant to Section 4(4) of the 2012 Act (the “2012 DOT Bonds”) for the Department of Transportation for the purpose of providing funds to be spent for the construction of highways and highway projects.

The Funding Board has previously canceled Five Million Dollars (\$5,000,000) of the 2012 DOT Bonds; none of the remaining Seventy-Five Million Dollars (\$75,000,000) of the 2012 DOT Bonds principal amount authorized has been issued.

Section 6, Item 2(a) of the 2018 Appropriations Act appropriates to the Funding Board the sum of One Million Dollars (\$1,000,000) to cancel a like amount of unissued 2012 DOT Bonds.

The Commissioner of Finance and Administration by memorandum dated July 10, 2018, recommended that the Funding Board proceed with canceling One Million Dollars (\$1,000,000) of the unissued 2012 DOT Bonds.

(3) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 452, Public Acts of Tennessee, 2013 (the “2013 Act”), to issue and sell its general obligation bonds in an amount not to exceed Two Hundred Sixty-Six Million Dollars (\$266,000,000) of which Eighty-One Million Dollars (\$81,000,000) is allocated pursuant to Section 4(2) of the 2013 Act (the “2013 DOT

Bonds”) for the Department of Transportation for the purpose of providing funds to be spent for the construction of highways and highway projects.

The Funding Board has previously canceled Three Million Dollars (\$3,000,000) of the 2013 DOT Bonds; none of the remaining Seventy-Eight Million Dollars (\$78,000,000) of the 2013 DOT Bonds principal amount authorized has been issued.

Section 6, Item 2(a) of the 2018 Appropriations Act appropriates to the Funding Board the sum of One Million Dollars (\$1,000,000) to cancel a like amount of unissued 2013 DOT Bonds.

The Commissioner of Finance and Administration by memorandum dated July 10, 2018, recommended that the Funding Board proceed with canceling One Million Dollars (\$1,000,000) of the unissued 2013 DOT Bonds.

Be It Resolved By The Funding Board Of The State Of Tennessee:

1. The projects authorized to be financed by the 2010 DOT Bonds, 2012 DOT Bonds and 2013 DOT Bonds have been financed in whole or in part with current funds and a total of Seventy-Nine Million Dollars (\$79,000,000) is no longer needed to fund such authorized projects.
2. Seventy-Seven Million Dollars (\$77,000,000) of the unissued 2010 DOT Bonds are hereby canceled.
3. One Million Dollars (\$1,000,000) of the unissued 2012 DOT Bonds are hereby canceled.
4. One Million Dollars (\$1,000,000) of the unissued 2013 DOT Bonds are hereby canceled.
5. This resolution shall be retroactively effective as of July 1, 2018, and all resolutions in conflict herewith are hereby repealed.

Adopted by the Funding Board at its meeting on July 17, 2018.

JUSTIN P. WILSON, SECRETARY
TENNESSEE STATE FUNDING BOARD

A RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE OF TENNESSEE

Be It Resolved By The Funding Board Of The State Of Tennessee:

1. The Funding Board of the State of Tennessee (the "Funding Board") hereby finds and determines that the Funding Board is authorized to provide for the issuance of general obligation bonds of the State of Tennessee (the "State") under the provisions of Sections 1 and 4 of Chapter 1062, Public Acts of Tennessee, 2018, to be allocated as follows:

Item 1. Thirty Million Seven Hundred Eight Thousand Dollars and no cents (\$30,708,000.00) to the Department of Finance and Administration to be expended for the purposes of acquisition of equipment and sites, and erection, construction and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvements, betterments and extraordinary repairs to existing structures, and for the purpose of making grants to any county, metropolitan government, incorporated town, city, special district of the state, or any governmental agency or instrumentality of any of them, if such project grant is approved by the State Building Commission. Such grants so identified and approved are determined to be for a public purpose.

Item 2. Fifty-Seven Million Five Hundred Eighty-Seven Thousand Dollars and no cents (\$57,587,000.00) to the Department of Finance to provide funds for the state office buildings and support facilities revolving fund to be allocated and expended for the purposes of acquisition of equipment and sites, and erection, construction and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvements, betterments and extraordinary repairs to existing structures.

Item 3. One Hundred Twenty-Seven Million Dollars and no cents (\$127,000,000.00) to the Department of Transportation to be expended for construction of highways and for the purpose of acquisition of equipment and sites, and erection, construction, and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvements, betterments, and extraordinary repairs to existing structures, and repair, replacement, or rehabilitation of bridges.

Further, the Funding Board is authorized to sell bonds in amounts not to exceed 2.5% of all of the amounts stated above, the proceeds of which are to be allocated to the Funding Board and expended for the purpose of funding discounts and the costs of issuance.

2. The Funding Board hereby finds and determines that no bonds or bond anticipation notes have been issued pursuant to the Public Acts referred to in Section 1 hereof, and that such authorization has not been cancelled or rescinded.

3. The Funding Board hereby authorizes the issuance of general obligation bonds of the State in the respective maximum principal amounts and for the respective purposes set forth in Section 1 hereof (the “Bonds”). The sale and issuance of the Bonds shall be provided for by subsequent resolution of the Funding Board. Pending the issuance of Bonds, bond anticipation notes may be issued from time to time under and pursuant to the resolution adopted by the Funding Board on March 6, 2000, entitled “RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF COMMERCIAL PAPER; AUTHORIZING AND PROVIDING FOR A STANDBY COMMERCIAL PAPER PURCHASE AGREEMENT; AND PROVIDING FOR CERTAIN OTHER MATTERS RELATED THERETO”, as amended or restated, or under and pursuant to other resolutions hereafter adopted by the Funding Board.

4. The Funding Board reserves the right to rescind the authorization of any Bonds authorized hereunder to the extent (i) general obligation bonds have not been issued against such Bond authorization or (ii) general obligation bond anticipation notes have not been issued in anticipation of the issuance of Bonds to be issued against such Bond authorization.

5. Available State funds may be expended for any or all of the purposes specified in Section 1 hereof, in anticipation of reimbursement from the proceeds of Bonds or bond anticipation notes issued under and pursuant to the respective authorizations specified in Section 1 hereof. The Funding Board hereby authorizes the Commissioner of Finance and Administration or the Secretary or Assistant Secretary of the Board to evidence an official intent to this effect, and otherwise execute, file and publish such documents or take such other action, as may be necessary to permit reimbursement from the proceeds of Bonds or bond anticipation notes, the interest on which shall be excluded from gross income for federal income tax purposes.

6. If any provisions of this resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the resolution which can be given effect without the invalid provision or application, and to that end the provisions of this resolution are declared to be severable.

7. This resolution shall be retroactively effective as of July 1, 2018, and all resolutions in conflict herewith are hereby repealed.

Adopted by the Funding Board at its meeting on July 17, 2018.

JUSTIN P. WILSON, SECRETARY
TENNESSEE STATE FUNDING BOARD

State of Tennessee
General Obligation Debt Program

As of June 30, 2018

	<u>Taxable</u>	<u>Tax-Exempt</u>	<u>Total</u>
Commercial Paper Outstanding	\$46,663,000	\$118,513,000	\$165,176,000
	<u>Taxable</u>	<u>Tax-Exempt</u>	<u>Total</u>
Bonds Outstanding	\$250,780,000	\$1,647,015,000	\$1,897,795,000

State of Tennessee
General Obligation Commercial Paper Program

Analysis for the period July 1, 2017 to June 30, 2018

	<u>Taxable</u>	<u>Tax -Exempt</u>
Average Daily Balance	\$27,224,644	\$186,730,896
Interest Rate	1.20 - 2.03%	0.86 - 1.76%
Weighted Average Yield	1.53%	1.12%

Expenses for FY18

Commercial Paper Interest	\$2,372,000
Standby Purchase Agreement Fee	\$1,225,000
Dealer Services Fee	\$ 106,052
Issuing & Paying Agent Fee	\$ 3,000
Rating Fees	\$ 10,000