

**TENNESSEE STATE FUNDING BOARD
SEPTEMBER 13, 2018
REVISED AGENDA**

1. Call meeting to order
2. Approval of State Funding Board Minutes from July 17, 2018 meeting
3. Report from the Department of Economic and Community Development (ECD) for approval of funding for the following FastTrack projects:
 - **American Lebanese Syrian Associated Charities & St. Jude Children’s Research Hospital – Memphis (Shelby County)**
FastTrack Economic Development Grant \$ 12,000,000
 - **BMT Manufacturing, LLC – Jacksboro (Campbell County)**
FastTrack Economic Development Grant \$ 113,328
FastTrack Job Training Grant \$ 48,000
 - **BMT Manufacturing, LLC – Jellico (Campbell County) FastTrack**
Economic Development Grant \$ 383,000
FastTrack Job Training Grant \$ 70,000
 - **CKE Restaurants Holdings, Inc. – Franklin (Williamson County)**
FastTrack Economic Development Grant \$ 750,000
4. Public hearing on and approval of Tennessee State Funding Board Guidelines – Requests for Approval to Issue Tourism Development Zone (TDZ) Debt
5. Public hearing on and approval of Tennessee State Funding Board Guidelines – Annual Debt Reporting by Industrial Development Corporations
6. Consideration for approval for the City of Pigeon Forge to issue TDZ debt
7. Consideration for approval for the Industrial Development Board of the City of Chattanooga to issue TDZ refunding debt
8. Consideration for approval of a “Resolution Allocating from the Debt Service Fund to the Capital Projects Fund \$7,000,000 and Canceling Authorized Bonds”
9. Adjourn meeting

TENNESSEE STATE FUNDING BOARD

July 17, 2018

The Tennessee State Funding Board (the “Board”) met on Tuesday, July 17, 2018, at 9:45 a.m., in the Tennessee State Capitol, Room G-11, 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
Commissioner Larry Martin, Department of Finance and Administration

The following members were absent:

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

Seeing a physical quorum present, Mr. Wilson called the meeting to order and barring any further comment, asked approval of the minutes from the June 19, 2018 meeting. Mr. Hargett made a motion to approve the minutes. Mr. Martin seconded the motion, and it was unanimously approved.

Mr. Wilson recognized Ms. Jamie Stitt, Assistant Commissioner of Business and Workforce Development, 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 “Funding Report”). Mr. VanderMeer reported that, as of the date of the last Board meeting on June 19, 2018, the FastTrack balance was \$247,977,378.47. Since that time, \$108,717,575.96 in new appropriations had been received, comprised of \$108,000,000.00 of cost increase in appropriations for fiscal year 2019; \$79,500.00 in funds had been deobligated and returned to the FastTrack program; \$13,277,009.00 in new grants had been approved; and \$350,744.42 in funds were spent on FastTrack administrative expenses, which resulted in an adjusted FastTrack balance available for funding grants and loans of \$343,146,701.01 as of the date of the Funding Report. Mr. VanderMeer reported that commitments had been made in the amount of \$261,415,944.36, resulting in an uncommitted FastTrack balance of \$81,730,756.65, which represented 76.2% of the FastTrack balance. Mr. VanderMeer reported that the projects to be considered at this meeting totaled \$7,470,000.00, and if these projects were approved, the uncommitted balance would be \$74,260,756.65 and the total committed balance would be \$268,885,944.36, which represented 78.4% of the FastTrack balance.

Mr. Wilson requested the FastTrack projects presented to the Board be presented at one time. Ms. Stitt then presented the following FastTrack projects:

- **MTD Consumer Group Inc. – Martin (Weakley County)**

FastTrack Economic Development Grant	\$ 1,000,000.00
FastTrack Job Training Grant	\$ 760,000.00
- **Oshkosh Manufacturing, LLC – Jefferson City (Jefferson County)**

FastTrack Economic Development Grant	\$ 5,000,000.00
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- **Thomas & Betts Corporation – Athens (McMinn County)**

FastTrack Economic Development Grant	\$ 710,000.00
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The Board received in their packets signed letters, FastTrack checklists, and incentive acceptance forms signed by Mr. Bob Rolfe, Commissioner of ECD. Mr. Wilson inquired if the information provided in the ECD packets was true and correct and Ms. Stitt responded affirmatively. Mr. Wilson also inquired if the companies that had signed the incentive acceptance forms fully understood the agreements and could meet the obligations set forth in the agreements. Ms. Stitt responded affirmatively.

Mr. Martin inquired as to how ECD tracked the capital investment a company makes over a period of time. Ms. Stitt responded that ECD does not track capital investment like they track jobs; however, if the company is asking for reimbursement of an eligible activity then documentation of the expenses are required to be submitted.. 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 for consideration and approval a “Resolution Allocating from Debt Service Fund to the Capital Projects Fund \$501,487.00 and Canceling Authorized Bonds” to be effective June 30, 2018. Mr. Wilson explained that this resolution was to cancel bonds related to the University of Memphis (UOM) project for acquisition of sites within UOM’s master plan. Mr. Wilson stated that UOM had made a payment of \$501,487.00 and that such funds had been deposited into the Debt Service Fund. Mr. Hargett made a motion to approve the resolution. Mr. Martin seconded the motion, and it was unanimously approved.

Mr. Wilson then presented for consideration and approval a “Resolution Allocating Funds to Defray a Portion of the Cost of Highway Bridge Construction Projects and Canceling Authorized Bonds” to be effective June 30, 2018. Mr. Wilson explained that in prior years the General Assembly had approved the authorization of bonds for bridge construction and those projects had been financed with current funds and the authorization is being canceled in the amount of \$29,100,000.00. Mr. Hargett made a motion to approve the resolution. Mr. Martin seconded the motion, and it was unanimously approved.

Mr. Wilson then presented for consideration and approval a “Resolution Certifying and Authorizing the Allocation of Funds to the Sinking Fund for the 2018-2019 Fiscal Year” to be effective July 1, 2018. Mr. Wilson stated the resolution certified the amount of taxes and fees to be deposited into the sinking fund to cover the debt service expenses for fiscal year 2018-2019. Mr. Hargett made a motion to approve the resolution. Mr. Martin seconded the motion, and it was unanimously approved.

Mr. Wilson then presented for consideration and approval a “Resolution Allocating Funds to Defray a Portion of the Cost of Highway Construction Projects and to Cancel Authorized Bonds” to be effective July 1, 2018. Mr. Wilson explained that this resolution canceled bonds for highway construction projects in the amount of \$79,000,000.00. Mr. Wilson further explained that the authorization is utilized to facilitate contracts with highway construction firms since the State’s current practice is to fund highway projects with cash and not issue bonds. Mr. Hargett made a motion to approve the resolution. Mr. Martin seconded the motion, and it was unanimously approved.

Mr. Wilson then presented for consideration and approval a “Resolution Authorizing the Issuance of General Obligation Bonds of the State of Tennessee” in the amount of \$215,295,000.00 to be effective July 1, 2018. Mr. Wilson stated that this resolution was based on the Public Acts of 2018, Chapter 1062 (the “Bond Bill”), which provided to the Department of Finance and Administration \$30,708,000.00 for general capital projects and \$57,587,000.00 for state office buildings and support facilities revolving fund; and to the Department of Transportation \$127,000,000.00 for highway construction projects. Mr. Hargett made a motion to approve the resolution. Mr. Martin seconded the motion, and it was unanimously approved.

Mr. Wilson then recognized Ms. Sandra Thompson, Director of the Office of State and Local Finance (OSLF) and Assistant Secretary to the Board, to present a report on the General Obligation (GO) indebtedness of the State. Ms. Thompson stated that as of the end of fiscal year 2018 the amount of commercial paper outstanding was \$165,176,000.00, comprised of \$46,663,000.00 of taxable commercial paper and \$118,513,000.00 of tax-exempt commercial paper. Ms. Thompson further stated that as of June 30, 2018, long-term debt outstanding was \$250,780,000.00 for taxable bonds and \$1,647,015,000.00 for tax-exempt bonds, for a total long-term debt of \$1,897,795,000.00. Ms. Thompson also presented an analysis of the GO Commercial Paper Program for the fiscal year 2018 and stated that the average daily balance for taxable commercial paper was \$27,244,644.00 with interest rates ranging from 1.20% to 2.03%. Ms. Thompson further stated that the average daily balance for tax-exempt commercial paper was \$186,730,896.00 with interest rates ranging from 0.86% to 1.76%. Ms. Thompson also stated that the Commercial Paper Program incurred expenses during the fiscal year in the amount of \$2,372,000.00 for interest, \$1,255,000.00 for the Standby Purchase Agreement fee, \$106,052.00 in dealer services fee, \$3,000.00 for issuing and paying agent fee, and \$10,000.00 for rating fees. No further action was necessary.

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

9/10/2018

1. Previous FastTrack Balance, as of Last Report	343,146,701.01
2. + New Appropriations:	319,270.14
3. + Newly Deobligated Funds:	166,500.00
4. + Funds Transferred to FastTrack:	0.00
5. - Funds Transferred from FastTrack:	(500,000.00)
6. - FastTrack Grants or Loans Approved Greater Than \$750,000:	(3,330,000.00)
7. - FastTrack Grants or Loans Approved Less Than \$750,000:	(3,159,100.00)
8. - FastTrack Administration	(156,190.23)
9. Adjusted FastTrack Balance Available for Funding FastTrack Grants or Loans:	336,487,180.92
10. Total Amount of Commitments:	270,118,593.13
11. Uncommitted FastTrack:	66,368,587.79
12. Percentage Committed:	80.3%
13. Amount of Proposed Grants or Loans:	13,364,328.00
14. Uncommitted FastTrack Balance if Proposed Grants or Loans Approved:	53,004,259.79
15. Percentage Committed:	84.2%

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: 9/10/18



Department of Economic and Community Development

Bob Rolfe
Commissioner

Bill Haslam
Governor

September 13, 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. American Lebanese Syrian Associated Charities ("ALSAC") and St. Jude Children's Research Hospital ("St. Jude") – Memphis (Shelby County)

American Lebanese Syrian Associated Charities ("ALSAC") and St. Jude Children's Research Hospital ("St. Jude"), is the only National Cancer Institute-designated Comprehensive Cancer Center devoted solely to children. The treatments developed at St. Jude have helped push the overall childhood cancer survival rate from 20 percent to 80 percent since the hospital opened more than 50 years ago. The research hospital treats patients from all 50 states and around the world, and families never receive a bill from St. Jude for treatment, travel, housing, or food.

Site improvements will be completed in the Pinch District surrounding the St. Jude campus in downtown Memphis, which will complement the research institution's expansion efforts announced in 2015.

St. Jude Children's Research Hospital has committed to create 1,800 new jobs and make a \$1,000,000,000 capital investment within six years. The company will have an average wage of \$33.20 per hour for the new positions.



Department of Economic and Community Development

Bob Rolfe
Commissioner

Bill Haslam
Governor

On November 27, 2017, the State Funding Board approved the Department of Economic and Community Development the opportunity to award a FastTrack Economic Development Grant to The Economic Development Growth Engine Industrial Development Board for the City of Memphis and County of Shelby, Tennessee for the benefit of ALSAC/St. Jude Children's Research Hospital in the amount of \$24,000,000 to offset the costs that will be incurred in site development.

FastTrack Economic Development Grant funds will be used for site improvements.
(\$12,000,000)

Total FastTrack funds for this project - \$12,000,000

2. BMT Manufacturing, LLC – Jacksboro (Campbell County)

BMT Manufacturing, LLC began its operations in 2016 and produces various trailers for short bed, motorcycle, utility, and cargo trailers. With its focus on local talent, BMT plans to provide previously unemployable workers with a living wage, educational opportunities, and a bright path beyond some of Appalachia's biggest socio-economic challenges. The company's creative workforce development is not only profitable, but also has a community service heart.

BMT Manufacturing, LLC has committed to create 48 new jobs and make a \$1,903,200 capital investment within five years. The company will have an average wage of \$14.08 per hour for the new positions.

FastTrack Economic Development Grant funds will contribute to roof repair, office retrofit, parking lot, and building retrofit. **(\$113,328)**

FastTrack Job Training Assistance Program funds will be used to train the new employees.
(\$48,000)

Total FastTrack funds for this project - \$161,328



Department of Economic and Community Development

Bob Rolfe
Commissioner

Bill Haslam
Governor

3. BMT Manufacturing, LLC – Jellico (Campbell County)

BMT Manufacturing, LLC began its operations in 2016 and produces various trailers for short bed, motorcycle, utility, and cargo trailers. With its focus on local talent, BMT plans to provide previously unemployable workers with a living wage, educational opportunities, and a bright path beyond some of Appalachia's biggest socio-economic challenges. The company's creative workforce development is not only profitable, but also has a community service heart.

BMT Manufacturing, LLC has committed to create 100 new jobs and make a \$1,763,000 capital investment within five years. The company will have an average wage of \$14.06 per hour for the new positions.

FastTrack Economic Development Grant funds will contribute to roof improvements, building retrofit, office retrofit, and building improvements. **(\$383,000)**

FastTrack Job Training Assistance Program funds will be used to train the new employees. **(\$70,000)**

Total FastTrack funds for this project - \$453,000

4. CKE Restaurants Holdings, Inc. – Franklin (Williamson County)

CKE Restaurants Holdings, Inc., parent of the Carl's Jr.® and Hardee's® sister chains, owns and operates some of the most popular brands in the quick-service restaurant industry. The CKE system currently includes more than 3,300 restaurant locations in 42 states and in 28 countries. CKE's leadership announced in April 2016 that it would locate its headquarters in Franklin. In its first year in the Nashville area, CKE invested heavily in local talent and technology, and strengthened its partnership with the State of Tennessee. CKE's restaurants are known for their premium items such as Black Angus Thickburgers®, Made from Scratch™ Biscuits, and Hand-Breaded Chicken Tenders™, as well as an award-winning marketing approach. CKE's brand continues to demonstrate strong sales and consistent growth, both locally and abroad.



Department of Economic and Community Development

Bob Rolfe
Commissioner

Bill Haslam
Governor

CKE has committed to create 145 new jobs and make a \$3,580,000 capital investment within five years. The company will have an average wage of \$36.07 per hour for the new positions.

FastTrack Economic Development Grant funds will contribute to building improvements.
(\$750,000)

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

Sincerely,

A handwritten signature in blue ink, which appears to read "Robert Rolfe", is positioned below the word "Sincerely,".

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	The Economic Development Growth Engine Industrial Development Board for the City of Memphis and County of Shelby, Tennessee	\$36,000,000	
TOTAL		\$36,000,000	

(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): American Lebanese Syrian Associated Charities ("ALSAC") and St. Jude Children's Research Hospital ("St. Jude")**

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

- 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
- 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
- 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
- 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:

- Does the business export more than half of their products or services outside of Tennessee T.C.A. § 4-3-717(h)(1)(A)? ☒
 - 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)? ☐
 - 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)? ☐
 - 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.

- 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. ☒
 - 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

September 13, 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 Industrial Development Board for the City of Memphis and County of Shelby, Tennessee for the benefit of ALSAC/St. Jude Children's Research Hospital in the amount of \$36,000,000 to offset the costs that will be incurred in site development. 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. ALSAC/St. Jude Children's Research Hospital has committed to create 1,800 new jobs and to make a \$1,000,000,000 capital investment within six years. The company will have an average wage of \$33.20 per hour for the new positions. This project will have an exceptional impact on this area of the state.

Sincerely,


Bob Rolfe



Department of Economic and Community Development

Bob Rolfe
Commissioner

Bill Haslam
Governor

August 23, 2018

INCENTIVE ACCEPTANCE FORM

This form serves as notice that ALSAC/St. Jude Children's Research Hospital intends, in good faith, to create 1,800 private sector jobs in Memphis, Shelby County and to make a capital investment of \$1,000,000,000 in exchange for incentives that will be memorialized in a grant agreement between ALSAC/St. Jude Children's Research Hospital and the State of Tennessee.

ECD OFFER SUMMARY

FastTrack Economic Development Grant:	\$ 36,000,000
Total ECD Commitment:	\$ 36,000,000

Please sign your name in the space below to signify ALSAC/St. Jude Children's Research Hospital's acceptance of ECD's offer set forth above and return it by November 21, 2018 to:

Tennessee Department of Economic and Community Development
Attn: Scottie McCormick
312 Rosa Parks Avenue, 27th Floor
Nashville, TN 37243
Scottie.mccormick@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: 9-5-18

Presb CEO - ALSAC

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*	BMT Manufacturing, LLC - Jacksboro	\$48,000	
ECONOMIC DEVELOPMENT	Industrial Development Board of Campbell County	\$113,328	
TOTAL		\$161,328	

(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): BMT Manufacturing, LLC - Jacksboro

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

9/10/18

Date

Department of Economic and Community Development

Bob Rolfe
Commissioner

Bill Haslam
Governor

September 13, 2018

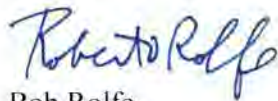
Comptroller Justin Wilson
First Floor, State Capitol
Nashville, TN 37243

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 Campbell County for the benefit of BMT Manufacturing, LLC. - Jacksboro in the amount of \$113,328 to offset the costs that BMT Manufacturing, LLC. - Jacksboro will incur in roof repair, parking lot and building retrofit, office retrofit. 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 jobs. BMT Manufacturing, LLC. - Jacksboro has committed to create 48 full-time jobs and to make a \$1,903,200 capital investment within five years. The company will have an average wage of \$14.08 per hour for the new positions. This project will have an exceptional impact.

Sincerely,



Bob Rolfe

BR/js



Department of Economic and Community Development

Bob Rolfe
Commissioner

Bill Haslam
Governor

April 30, 2018

INCENTIVE ACCEPTANCE FORM

This form serves as notice that BMT Manufacturing, LLC (Jacksboro Plant) intends, in good faith, to create 48 private sector jobs in Jacksboro, Campbell County and make a capital investment of \$1,903,200 in exchange for incentives that will be memorialized in a grant agreement between BMT Manufacturing, LLC (Jacksboro Plant) and the State of Tennessee.

ECD OFFER SUMMARY

FastTrack Job Training Grant:	\$ 48,000
FastTrack Economic Development Grant:	\$ 113,328
Total ECD Commitment:	\$ 161,328

Please sign your name in the space below to signify BMT Manufacturing, LLC (Jacksboro Plant)'s acceptance of ECD's offer set forth above and return it by July 28, 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: 4/30/18

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*	BMT Manufacturing, LLC - Jellico	\$70,000	
ECONOMIC DEVELOPMENT	Industrial Development Board of Campbell County	\$383,000	
TOTAL		\$453,000	

(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): BMT Manufacturing, LLC - Jellico

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

9/10/18
Date

Department of Economic and Community Development

Bob Rolfe
Commissioner

Bill Haslam
Governor

September 13, 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 Campbell County for the benefit of BMT Manufacturing, LLC. - Jellico in the amount of \$383,000 to offset the costs that BMT Manufacturing, LLC. - Jellico will incur in roof improvements, building retrofit, office retrofit and building improvements. The project activities would not be eligible for the FastTrack Infrastructure Development Program.

This project will yield a proportionately significant impact on the rural community due to the number of jobs. BMT Manufacturing, LLC. - Jellico has committed to create 100 full-time jobs and to make a \$1,763,000 capital investment within five years. The company will have an average wage of \$14.06 per hour for the new positions. This project will have an exceptional impact.

Sincerely,



Bob Rolfe

BR/js



Department of Economic and Community Development

Bob Rolfe
Commissioner

Bill Haslam
Governor

April 30, 2018

INCENTIVE ACCEPTANCE FORM

This form serves as notice that BMT Manufacturing, LLC (Jellico Plant) intends, in good faith, to create 100 private sector jobs in Jellico, Campbell County and make a capital investment of \$1,763,000 in exchange for incentives that will be memorialized in a grant agreement between BMT Manufacturing, LLC (Jellico Plant) and the State of Tennessee.

ECD OFFER SUMMARY

FastTrack Job Training Grant:	\$ 70,000
FastTrack Economic Development Grant:	\$ 383,000
Total ECD Commitment:	\$ 453,000

Please sign your name in the space below to signify BMT Manufacturing, LLC (Jellico Plant)'s acceptance of ECD's offer set forth above and return it by July 28, 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: 4/30/18

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 Williamson County, Tennessee	\$750,000	
TOTAL		\$750,000	

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

*ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity): CKE Restaurants Holdings, Inc.

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

GENERAL STATUTORY COMPLIANCE

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

Identify which of the following apply:

5. a. Does the business export more than half of their products or services outside of Tennessee T.C.A. § 4-3-717(h)(1)(A)? ☒
- 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

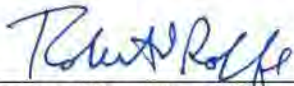
Applicant must answer "Yes" to a or b.

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

September 13, 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 Williamson County, Tennessee for the benefit of CKE Restaurants Holdings, Inc. in the amount of \$750,000 for building improvements. The project activities would not be eligible for the FastTrack Infrastructure Development Program.

This project will yield a proportionately significant impact on the community due to the number of high wage jobs and significant capital investment. CKE Restaurants Holdings, Inc. has committed to create 145 new jobs and to make a \$3,580,000 capital investment within five years. The company will have an average wage of \$36.07 per hour for the new positions. This project will have an exceptional impact on this area of the state.

Sincerely,


Bob Rolfe

Department of Economic and Community Development

Bob Rolfe
Commissioner

Bill Haslam
Governor

May 18, 2018

INCENTIVE ACCEPTANCE FORM

This form serves as notice that CKE Restaurants Holdings, Inc. intends, in good faith, to create 145 private sector jobs in Franklin, Williamson County and make a capital investment of \$3,580,000 in exchange for incentives that will be memorialized in a grant agreement between CKE Restaurants Holdings, Inc. and the State of Tennessee.

ECD OFFER SUMMARY

FastTrack Economic Development Grant:	\$ 750,000
Total ECD Commitment:	\$ 750,000

Please sign your name in the space below to signify CKE Restaurants Holdings, Inc.'s acceptance of ECD's offer set forth above and return it by August 15, 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: James D Sullivan
(Authorized Representative of Company)

Date: 5/21/18

Comments Received on SFB Guidelines

Commenter	Date	Means	IDC/TDZ	Comment
City of Clarksville	8/2/2018	E-mail	IDC/TDZ	Programmatic and legal suggestions
Rebecca French	8/8/2018	E-mail	TDZ	Operational and programmatic suggestions
Staff- DC	8/13/2018	E-mail	TDZ	Typo- Appendix A approval request letter, item 2,
Hawkins, Delafied & Wood/ Steve Turner	8/15/2018	E-mail/mail	IDC	Definitional clarification and other
EDGE	8/22/2018	E-mail	IDC/TDZ	Various
Staff- OSLF	8/29/2018	E-mail	TDZ	Various
Bass Berry & Sims/ Jeff Oldham	8/30/2018	E-mail	IDC/TDZ	Various
Bass Berry & Sims/ Mark Mamantov	8/30/2018	E-mail	IDC	Various
Adams and Reese/ James McLaren	8/31/2018	E-mail	IDC/TDZ	Various
City of Memphis/ Andre Walker	8/31/2018	E-mail	TDZ	Clarification re final maturity of bonds
City of Chattanooga/ Stacy Richardson	8/31/2018	E-mail	TDZ	Various
Egerton McAfee/ Christopher Trump	8/31/2018	E-mail	IDC	Various

			Summary of TDZ Comments			
Timing	Repayment Commitment	Exclusions	Required Documentation	Definitions	Suggestions	Legislation/Policy
Provisions of Act could cause delay in refinancing and result in loss of savings; entity may meet less than once/mo: Chattanooga	Appendix A-A.5: not appropriate/legally authorized when privately owned property: BBS-O/A&R. Issuer or conduit borrower should assume responsibility as appropriate: EDGE.	IV: Balloon, Derivative and Debt management policies should not apply to private projects: BBS-O/A&R	Appears too detailed/exceeds what needed: Chattanooga	IV. Provide guidance as to "authorized life of a project", how determined: EDGE	Address how sales/disposition of financed properties will be handled: Chattanooga	Do not allow balloon indebtedness: Clarksville
II-B: 60 Business days not workable: BBS-O/A&R, EDGE		Appendix A-A.4: limitation of final maturity date not apply when payable other than from TDZ revenues: BBS-O/A&R	II-C: Permit submission of preliminary versions of documents: BBS-O/A&R		Clarify annual reporting for initial bond proceeds vs project, what are expectations: Chattanooga	Require municipal approval in advance of issuance of debt if guaranteed: Clarksville
III: Resubmission after disapproval should not trigger new advanced submission timing: BBS-O/A&R			What documentation is acceptable for CEO confirmation as to project in service and for status of investment: Chattanooga		Appendix A-A.4 Add "as amended from time to time, and with the approval fothe SFB"	Require additional reporting; increase funding for rural communities; require unbiased feasibility studies; require ongoing fiscal training for facility managers: Manchester Coffee County Convention Center
Appendix A-A.4: Final maturity should be permitted prior to end of FY in which TDZ revenue finally apportioned and distributed: BBS=O/A&R, Memphis	Appendix A-C: Permit simultaneous submission to F&A: BBS-O/A&R					
Effective date of Guidelines should be deferred: Chattanooga						

Summary of IDC Comments							
Timing	Debt	Resolution Commitment	Exclusions	Required Documentation	Definitions	Suggestions	Legislation/Policy
II.A. Need more time for reporting; make 60 days: BBS-O/A&R	Guidelines fail to distinguish between purposes/types of debt (manufacturing finance, PILOT, publicly owned projects, TIF); need to distinguish between default which can be waived or cured and event of default. BBS-M	Appendix B.m: This implies governmental entity committing to cure defaults of private party	Exclude PILOTs, require disclosure only of default that could result in liability by IDC or municipal entity, seek more input. BBS-M	Rural IDC do not have paid staff, have limited/no funding for admin expenses, and this will divert \$ from economic development: BBS-M; EM; EDGE	II.B: Is it default or event of default; not have means to obtain information HDW; BBS-O/A&R; BBS-M; EM	II.B. IDC's c/should include requirement in future conduit documents for notification of information required for annual report. BBS-O/A&R	Do not allow balloon indebtedness: Clarksville
II. B. Need more than 15 days to gather required information after receiving notice of default: BBS-O/A&R			Exclude municipal debt when under a continuing disclosure agreement: BBS-M	II.B Most existing conduit issues do not have requirement to notify IDC of default or of payment activity: BBS-O/A&R; EM Appendix B: IDC should only have to report to extend it receives notice: BBS-O/A&R; EM	III. B.: Currently definition does not cover conduit debt, expand to cover: BBS-O/A&R	Coordinate with GASB: BBS-M	Hold IDC accountable for debt issued and PILOTs If IDC commits tax revenues or abates taxes each municipalities should have to approve in advance
II.A. Need 120 days from adoption of guidelines for 2018 report: BBS-M					III.B.: Are credit and liquidity facilities included in definition of debt: HDW	Consider additional information re derivatives: HDW	What penalties will apply if reporting is not completed: EDGE
II.B. Need 30 days from receipt of notice of default : EDGE				Conduit debt issuance's CT-0253 should suffice, although clearly based on initial information: EM	Appendix A: Clarifying if want interest commencement date or dated date	Indicate guidelines apply only on goingforward basis (new issues): EM Impose burden of disclosure on conduit borrower:EM Include good faith effort to obtain information from borrower that is not already in possession of IDC; Appendix A A-N and R&S should be available from transcript: EDGE What is reason for updated information, such as current debt rating	

Tennessee State Funding Board Guidelines

Requests for Approval to Issue Tourism Development Zone Debt

I. Background

Public Chapter 816, Acts of 2018 amended the Convention Center and Tourism Development Financing Act of 1998 [Title 7, Chapter 88 of the Tennessee Code Annotated (“T.C.A.”)] (“Financing Act”) to require the Tennessee State Funding Board (“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 Financing Act. The SFB adopted these Guidelines for Requests for Approval to Issue Tourism Development Zone (“TDZ”) debt ~~effective September 13, 2018~~ (“Guidelines”).

II. Requesting SFB Approval of TDZ Debt

- A. Any request for approval of TDZ debt must be submitted ~~to the Assistant Secretary of the SFB~~ by the Chief Executive Officer of the municipality or public authority issuing the debt (“Issuer”) in writing mailed to 425 Fifth Avenue North, Nashville, Tennessee 37243 or electronically at (state.local.finance@cot.tn.gov) ~~to the Assistant Secretary of the SFB~~.
- B. The ~~request notice of the proposed TDZ debt~~ must be submitted at least sixty (60) business days prior to the proposed sale date for the debt. ~~The request for approval should be submitted at least sixty (60) calendar days prior to the proposed sale date for the debt. -unless an alternative timeframe is agreed upon waiver is received in writing by from~~ ~~The Director of the Office of State and Local Finance may agree in writing to an alternative timeframe . This is not to be considered the timeframe for obtaining approval from the State Building Commission, if necessary. SBC/F&A submission language~~
- C. The request must include all items specified in the checklist attached as Appendix A along with the appropriate supporting documentation.

III. 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 and allows for sufficient time prior to the proposed sale date for the Director of the Office of State and Local Finance to review the submission.

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IV. 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 requirements¹. 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 must require that any such debt cannot be structured for longer than the useful or authorized life of the project financed, whichever is shorter.

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RESPONSE: authorized life may be less than the useful life and should be determined in accordance with the Issuer's capital assets policy. §7-88-107(a) provides debt not to be issued for term longer than 30 years from date reasonably anticipated facility will commence operation as QPUF

V. Definitions

- A. "Balloon Indebtedness" shall mean any debt with a delayed principal structure as defined in T.C.A. § 9-21-134(a)(1).
- B. "Chief Executive Officer" shall mean 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" shall mean 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" shall mean 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" shall mean 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 by the Financing Act.
- F. "Municipality" shall mean any incorporated city or county located in the state of Tennessee, including a county with a metropolitan form of government. [T.C.A. § 7-88-103(4)]
- G. "Public Authority" shall mean 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

¹ 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/1fstfundbd.asp>

industrial development corporation organized pursuant to Title 7, Chapter 53 of the T.C.A. [TCA § 7-88-103(5)]

- H. “Qualified Associated Development” shall mean improvements constructed or renovated by the Issuer in connection with the QPUF and related infrastructure and utility improvements for public or private peripheral development included in a master development plan for the TDZ 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”) shall mean:
 - 1. A project meeting the requirements of the Local Government Public Obligations Act of 1986, compiled in Title 9, Chapter 21, or of Title 7, Chapters 53 or 89.
 - 2. QPUF 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. [T.C.A. § 7-88-103(7)]
- J. “Refunding Debt” shall mean debt refinancing debt in accordance with State statutes.
- K. “Secondary Tourist Development Zone” shall mean a TDZ that at the time of its creation is located more than three (3) miles from the county courthouse. [T.C.A. § 7-88-103(8)]
- L. “Structured Lease Agreement” shall mean a lease by a municipality of a QPUF within a TDZ financed by debt issued and outstanding in compliance with T.C.A. § 7-88-107 and for which the issuer of the debt or the lessor of the facility has entered into certain agreements as provided in T.C.A. § 7-88-103(8).
- M. “Tourism Development Zone” (“TDZ”) shall mean an area in a municipality:
 - 1. Designated by ordinance or resolution of such municipality in which a QPUF is located or planned, and
 - 2. Determined by the Department of Finance and Administration to be a beneficially impacted area in accordance with the requirements of the Financing Act and certified as a TDZ by the Department. [T.C.A. § 7-88-103(10)]

Appendix A

Tourism Development Zones

Items to Submit with Request for Approval to Issue TDZ Debt Checklist

The following items must be submitted to the State Funding Board (“SFB”) with a request for approval to issue debt having a pledge of revenues authorized by Title 7, Chapter 88 (“Financing Act”) that will either finance a Qualified Public Use Facility (“QPUF”) or refund debt that financed a QPUF:

TDZ New Money or TDZ Refunding Debt

- A. An approval request letter from the Issuer’s Chief Executive Officer (“CEO”) including the following:
1. Contact information for the Issuer’s CEO and Chief Financial Officer.
 2. Description of the debt:
 - a. Type of debt.
 - b. Type of security (i.e. revenue; GO; etc.).
 - c. Purpose of financing.
 - d. Proposed structure.
 - e. Method of sale.
 - f. Expected debt sale date.
 3. 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.
 4. Binding statement asserting that the Issuer shall not issue new money or subsequent refunding debt that is secured by a pledge of the with TDZ revenue with a final maturity extending beyond the fiscal year in which the final date of the apportionment and distribution of state and local sales and use taxes occurs, except as provided in the Financing Act and approved by the SFB.
 5. Binding statement asserting that the Issuer shall repay the debt if TDZ revenues are not sufficient and further describing the sources of those backup monies.
- B. Confirmation from the Issuer that the project to be financed is the project certified as a QPUF by the Department of Finance and Administration and described in the State Building Commission approved application, and confirmation that the project financed by the original debt is still in service, if applicable.-

Commented [AB1]: DC and Edge “sale”

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Commented [AB3]: EDGE : also wanted “Act, as amended from time to time and with the approval of the SFB”

Commented [AB4]: Does this respond to concern by BBS-O/A&R

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Commented [AB5]: EDGE: commented that burden should be placed on borrower.
RESPONSE: This is not a situation of conduit issuance. ? where is \$\$ requiring back up pledge?

Commented [AB6]: Should this be deleted? What is basis? What if private payment source?

~~C.~~ Debt amortization schedule as required by T.C.A. § 7-88-109 with the approval letter from the Commissioner of the Department of Finance and Administration or evidence of submission for approval. [T.C.A. § 7-88-109]

~~C.D.~~ Adopted Debt Authorizing Resolution.

~~D.E.~~ Draft POS or offering memorandum (If bank loan, a~~n~~ loan agreement/~~or~~ promissory note).

~~E.F.~~ ~~Draft Structured~~ Lease Agreement if one is associated with the debt.

~~E.G.~~ Approved Plan of Balloon Indebtedness if required.

~~G.H.~~ Positive Report of Compliance with SFB Guidelines for Interest Rate and Forward Purchase Agreements if required.

TDZ Refunding Debt – Additional documentation required

The following additional items must be included if the debt is refunding debt:

~~A.~~ 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 T.C.A. § 7-88-103(7).

Documentation of status of the investment requirement.

~~B.~~ Confirmation of the filing of all required Annual Reports with the Commissioner of the Department of Finance and Administration and the State Building Commission. [T.C.A. § 7-88-114(f)]

~~C.A.~~

~~D.~~ Debt amortization schedule as required by T.C.A. § 7-88-109 with approval letter from the Commissioner of the Department of Finance and Administration. [T.C.A. § 7-88-109]

~~E.B.~~ Report of the Plan of Refunding from Office of State and Local Finance, if applicable.

Tennessee State Funding Board Interim Guidelines

Debt Reporting by Industrial Development Corporations

I. 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 (“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 (“SFB”). Annually each IDC must 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.

The SFB requested feedback about proposed guidelines and received various comments. Some commenters indicated that compliance with the Act in the first fiscal year may be burdensome. In order to implement the Act while not unduly burdening IDCs, the SFB adopted these Interim Guidelines for Debt Reporting by IDCs for fiscal year 2018.

II. Reporting

A. Annual Report on Outstanding Debt

For fiscal year 2018, IDCs have one hundred twenty (120) days from the close of the fiscal year or until January 31, 2019, whichever is later, to submit the 2018 Annual Report on Outstanding Debt using the reporting format prescribed in Appendix A.

B. Notice of Default

The IDC shall file a notice of default within fifteen (15) days either of default (as defined below) or of receipt by the IDC of a notice of an event of default. The reporting format is prescribed in Appendix B.

III. Defined Terms

A. “Authorized Representative” shall mean the individual the IDC has authorized to compile and submit information pursuant to the Act and these Guidelines.

B. “Debt” shall mean any bond, note, loan agreement, or other evidence of a debt obligation, including leases. “Debt” does not include credit and liquidity facilities and standby or drawdown loan agreements that have not been drawn on or utilized. “Debt” includes both IDC and conduit debt obligations as described below.

1. “IDC Debt Obligation” is debt in which the IDC incurs a definite and absolute obligation to the payment of the principal of and interest on the debt obligation.

2. "Conduit Debt Obligation" is debt issued by the IDC to provide capital financing for a public, private, or nonprofit entity other than the IDC.
- C. "Default" shall mean (1) a failure to pay principal of or interest on a debt when it is due; or (2) a failure to comply with a covenant, promise, or duty imposed by the debt documents upon any required passage of time or giving of notice; or both, but does not include situations where such failure has been waived.
- D. "Industrial Development Corporation" or "IDC" shall mean any corporation organized pursuant to Title 7, Chapter 53 of the T.C.A.
- E. "Report on Debt Obligation" shall mean State Form CT-0253 as prescribed in T.C.A. § 9-21-151.
- F. "Report on Outstanding Debt" shall mean the annual listing of debt to be submitted by the Authorized Representative, using the reporting format as prescribed in Appendix A.

Appendix A

Industrial Development Corporations (“IDC”)

Report on Outstanding Debt

Format

The IDC must prepare a listing of its currently-outstanding debt. The information indicated below is required to be included in the listing. In order to prepare the listing, IDCs should locate and review annual financial reports, closing transcripts, and board minutes. If the IDC is unable to obtain the required information, the Authorized Representative must furnish a statement of the efforts undertaken to obtain the information, the problems encountered in obtaining the information, and the efforts to be undertaken to subsequently obtain the information. IDCs are also encouraged but not required to collect the recommended information for each debt issue.

I. Required Information

A. IDC information to provide:

1. Name of IDC as listed in the certificate of incorporation.
2. County or Counties in which the IDC is located.
3. List of the current IDC Board Members and the Authorized Representative, including their name, title, company/government, physical and email addresses, and phone number.
4. As applicable, identify the IDC Counsel and Financial Advisor, including their name, title, company, physical and email addresses, and phone number.

B. Listing of Currently-Outstanding Debt – For each issue of debt, provide:

1. The name of the debt and date it was issued.
2. The date of the final maturity or final principal payment on the debt.
3. The original dollar amount of the debt.
4. The name of the project financed or a description of the purpose for the debt, indicating whether the debt is an IDC or a Conduit Debt Obligation.
5. The date the Report on Debt Obligation (Form CT-0253) was filed with the Office of State and Local Finance.

II. Recommended Additional Information for Each Issue of Debt

- A. The dollar amount of the principal outstanding as of the end of fiscal year 2018.
- B. The federal tax status (taxable or tax-exempt).
- C. The type of issuance (publicly sold, direct placement, or loan).
- D. As applicable, the name and contact information for the trustee, paying agent, or debt holder.
- E. If applicable, information on the balloon debt structure, derivatives, and original debt (if a refunding).

Appendix B

Industrial Development Corporations

Notice of Default Form

The Industrial Development Corporation (“IDC”) must give notice to the State Funding Board (“SFB”) of default on any IDC or Conduit Debt Obligations within fifteen (15) days of the event or of receipt of notice of default. A copy of any notice of default received by the IDC must be included with the Notice of Default to the SFB. Also, a copy of the official statement, offering memorandum, or loan document, as applicable, related to the debt should be included as part of the notice if not previously provided to the Comptroller of the Treasury with a Report on Debt Obligation filing. If a notice of default received by the IDC contains the required information and is attached to the IDC’s submission to the SFB, the IDC does not have to restate such information. If the IDC is unable to obtain all the required information, the IDC should furnish a statement of the efforts undertaken to obtain the required information, the problems encountered in obtaining the information and the efforts to be undertaken to subsequently obtain the information.

The following items should be included on the Notice of Default:

- A. **Name of IDC** as listed in its certificate of incorporation.
- B. **Contact Information**, including the name, title, company/government, phone number, and email address for the IDC President or Chair, IDC Counsel, Financial Advisor (if applicable), Obligor (if applicable), and Authorized Representative.
- C. **Name of Defaulted 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. **Description of Debt**, including sources of revenue pledged to repay the debt.
- E. **Type of Default** (monetary or technical).
- F. **Date of Default**: Either the date the IDC defaulted on debt or discovered an event of technical default or the date on which the IDC received notice of default.
- G. **Date Default Reported on EMMA**: If applicable, the date the defaulted principal and/or interest payment was reported to the MSRB’s Electronic Municipal Market Access (EMMA) system.
- H. **Reason for Default and Plans to Cure**: Describe the events leading to default and plans to cure it.
- I. **Additional Comments**: Include any comments pertinent to the defaulted debt issue that are not otherwise addressed within the notice.

- J. **Signature:** The Authorized Representative should date and submit the notice within fifteen (15) days of the event of default or of receipt of the notice of default given to the IDC.



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
OFFICE OF STATE AND LOCAL FINANCE

August 1, 2018

City of Pigeon Forge

The City of Pigeon Forge (the “City”) is requesting approval from the Tennessee State Funding Board (SFB) to issue General Obligation Bonds having a pledge of an allocation of state and local sales and use taxes pursuant to the Convention Center and Tourism Development Financing Act of 1998 (Title 7 Chapter 88 of the Tennessee Code Annotated) (the “1998 Act”). Request for approval is required by Public Chapter 816, Acts of 2018 which amended the 1998 Act. The proposed debt will be issued in an amount not to exceed \$33,000,000.

A. Approval Request Letter

1) Timing of Approval Request:

- ☐ The municipality submitted the request with all applicable accompanying items at least 60 calendar days prior to the proposed sale date of the debt.
- ☒ The municipality did not submit the request with all applicable accompanying items at least 60 calendar days prior to the proposed sale date of the debt.
- ☒ Alternate timeframe agreed upon in writing
- ☐ No agreed upon alternate timeframe

2) The requestor is a:

- ☒ Municipality
- ☐ Industrial Development Board (IDB)
- ☐ Other Entity

Contact information of entity:

David Wear, Mayor (865-453-9061), dwear@cityofpigeonforgetn.gov

Earlene Teaster, City Manager (865-453-9061), eteaster@cityofpigeonforgetn.gov

Dennis Clabo, Finance Director (865-453-9061), dclabo@cityofpigeonforgetn.gov

3) Type of Debt:

Not to exceed \$33,000,000 fixed rate bonds

4) Type of Security:

General Obligation Bonds with a Pledge of TDZ Revenues

5) The purpose of the proposed debt issuance is:

☐ Refunding

☒ New Money; Completion of Qualified Public Use Facilities (Convention Center Parking & Transport)

☐ Both

6) Proposed Structure of the Debt:

☒ Level Debt Service maturing 2019 through 2035

☐ Level Principal maturing _____ through _____

☐ Other maturing _____ through _____

7) Method of Sale:

☒ Competitive

☐ Negotiated

☐ Direct Placement

8) Expected Sale Date of the Debt: __Late September/Early October__

9) Binding Statements Present

☒ Municipality will use debt proceeds for specified QPUF in the TDZ or to refund debt that financed a QPUF in requirements of State law

☐ Municipality will not issue new money or refunding debt secured, in whole or in part, by a pledge of TDZ revenue with a final maturity extending beyond the fiscal year in which the final date of the apportionment and distribution of state and local sales and use taxes occurs

☐ Municipality will repay the debt if TDZ revenues are not sufficient

B. Additional Documentation

☐ Confirmation from Municipality that the project to be financed is certified as a QPUF by Finance and Administration and if applicable confirmation the project financed by the original debt is still in service.

☐ Debt Amortization schedule with approval letter from the Commissioner of Finance and Administration or evidence of submission for approval

☐ Adopted Debt Authorizing Resolution

☐ Draft POS or offering memorandum (If bank loan, a loan agreement or promissory note)

☐ Lease Agreement (If one is associated with this debt)

N/A

_____ Approved Plan of Balloon Indebtedness (If required)

N/A

_____ Positive Report of Compliance with SFB Guidelines for Interest Rate and Forward
Purchase Agreements (If required)

N/A

C. Additional Documentation – Refunding Only

_____ Confirmation of the filing of all required Annual Reports with the Commissioner of the
Department of Finance and Administration and the State Building Commission

N/A

_____ Report of the Plan of Refunding from Office of State and Local Finance, if applicable

N/A



August 1, 2018

Ms. Sandra Thompson
Assistant Secretary to the State of Tennessee Funding Board
Suite 1600, James K. Polk Building
505 Deaderick Street
Nashville, TN 37243-0273

**Re: Request for State Funding Board Approval for the City of Pigeon Forge, Tennessee
– Not to Exceed \$33,000,000 General Obligation Bonds, Series 2018**

Dear Ms. Thompson:

The City of Pigeon Forge, Tennessee (the "City") is pleased to submit this request for approval by the State Funding Board to issue debt payable from sales tax revenues (the "TDZ Revenues") allocated to the City pursuant to the Convention Center and Tourism Development Financing Act of 1998 (the "TDZ Act"), which is codified as Title 7, Chapter 88 of the Tennessee Code Annotated. As you are aware, the TDZ Act was recently amended by Public Chapter 816, Acts of 2018, to require that any debt issued by the City that is to be payable from TDZ Revenues be first approved by the State Funding Board. Please accept this letter as the City's request for such an approval from the State Funding Board.

The City is aware that the State Funding Board, through the Office of the Comptroller of the Treasury, has issued proposed guidelines for requesting approval of the issuance of debt payable from TDZ Revenues. The City understands that such proposed guidelines are still open for public comment and have not been finalized. However, in order to expedite the City's request for approval, the City is following the requirements of the proposed guidelines in making this request for approval from the State Funding Board.

Background

The City's tourism development zone (the "TDZ") was approved in 2006 by the State's Department of Finance and Administration. For your convenience, a copy of the City's Application to the State relating to the TDZ approval is enclosed. Since that approval, the City has consistently and diligently developed the TDZ consistent with its application, thereby attracting millions of visitors to our City and to the State.

Since the approval of the TDZ, the City has completed the LeConte Center, which is the events center described in the City's TDZ application. The LeConte Center has been a tremendous success for our region, resulting in thousands of additional visitors to the region. Since the opening of the LeConte Center in 2013, private investment in the City's TDZ has exploded. Since 2013, over \$227 million in commercial development has occurred; local sales tax revenues have increased by approximately 39% and the TDZ Revenues have grown by 352% percent.

In addition to completing the LeConte Center, the City has completed a surface public parking facility, which was the first LEEDS certified green parking facility in the State at the time the facility was

opened. The City has also completed a new re-use wastewater treatment plant, road improvements and related greenway improvements. All of these improvements were described in the City's initial TDZ application.

Because of the success of the LeConte Center, more parking and an improved transportation network is needed. Currently the LeConte Center hosts over 36 events annually, and the existing surface parking area is inadequate to accommodate the size of events that are presently coming to the LeConte Center. As an interim measure, the City has been using surface parking at a vacant shopping center, which soon will be no longer available due to redevelopment. In order to complete the capital program outlined in the City's TDZ application, the City needs to complete additional parking and transit facilities so that the City, and our region, can realize the full benefit of the TDZ-financed facilities.

Contact Information

The City is operated under a City Commission/City Manager form of government. While the City Manager is not an elected official, the City Manager effectively serves as the chief executive officer of the City. However, the City's Mayor, as well as the City Manager and the City's Finance Director, can respond to any questions that you may have regarding this request. Contact information for these individuals is as follows:

David Wear, Mayor (865-453-9061), dwear@cityofpigeonforgetn.gov
Earlene Teaster, City Manager (865-453-9061), eteaster@cityofpigeonforgetn.gov
Dennis Clabo, Finance Director (865-453-9061), dclabo@cityofpigeonforgetn.gov

The address for the City and each of the individuals named above is:

City of Pigeon Forge, Tennessee
3221 Rena Street
Pigeon Forge, TN 37863

In addition to the City officials named above, the City's bond counsel is Mark Mamantov of Bass, Berry & Sims PLC, and Mr. Mamantov can address any legal issues that you may have regarding this request. His phone number is 865-521-0365, and his email address is mmamantov@bassberry.com. The City's financial advisor is Cumberland Securities Company, Inc., and Chris Bessler is our contact for this matter. Mr. Bessler's phone number is 865-988-2663, and his email address is Chris.Bessler@CumberlandSecurities.com.

Description of Debt

- (A) Type of Debt: Not to exceed \$33,000,000 fixed rate bonds to be issued pursuant to Title 9, Chapter 21 of the Tennessee Code Annotated and the TDZ Act
- (B) Type of Security: General Obligation and Pledge of TDZ Revenues
- (C) Purpose of Financing: Completion of Qualified Public Use Facilities (discussed below)
- (D) Proposed Structure: Level debt amortization maturing in 2019 – 2035
- (E) Method of Sale: Competitive Public Sale
- (F) Expected Debt Sale Date: Late September

Required Statements

The City confirms and agrees that the City shall only use the proceeds of the proposed bonds for the payment of costs related to the qualified public use facilities in the City's TDZ that are discussed below.

The City confirms and agrees that the City shall not issue any new money debt or refunding debt with a final maturity extending beyond the final date of the apportionment and distribution of TDZ Revenues to the City pursuant to the TDZ Act, which is 2036.

The City confirms and agrees that the City shall repay the proposed bonds if the TDZ Revenues are not sufficient to pay debt service on the bonds. This commitment is evidenced by the City additionally securing the payment of the bonds by its general obligation pledge. However, the TDZ Revenues are expected to be sufficient to pay all debt service on the proposed bond issue.

Confirmation of Qualified Public Use Facilities

As was described in the City's application for approval of a TDZ, a large component of the public infrastructure to be constructed as part of the TDZ improvements was public parking and related transportation infrastructure. At the time of the TDZ application, it was anticipated that a future public parking garage would be constructed adjacent to the events center. At this time, after analyzing the cost of constructing a parking garage versus a surface parking facility, the more cost effective and responsible option is to construct surface parking. The cost estimate to purchase land and construct a 2,100 space surface parking facility is \$27,700,000. The estimated cost to construct a parking garage on City owned land netting 1,400 parking spaces was estimated at \$37,000,000 in construction costs alone. A large portion of the proceeds of the proposed bond issue would be used to construct the surface parking facility described above. The City does not believe that the use of proceeds in this manner is a change from the original TDZ application because the purpose of the public project is the same, but if the State Funding Board deems this to be a modification, the City would respectfully request that such modification be approved.

A significant portion of the remainder of the proceeds of the bonds would be used to construct a transportation center to enhance the City's transportation network. This transportation center is an enhanced version of the trolley center described in the City's TDZ application and is consistent with the purpose described in that application. The remaining proceeds of the bonds would be used for ancillary road, sidewalk and greenway projects that are integral to the parking facility and transportation center, as well as the qualified public use facilities that have already been constructed. The public improvements that would be financed with the proposed bond issue would clearly qualify as qualified public use facilities, within the meaning of the TDZ Act, both at the time the City's TDZ was approved as well under the current TDZ Act.

Debt Amortization Schedule and State Approval

The original amortization schedule for the debt expected to be issued and secured by TDZ Revenues, as approved by the State Department of Finance and Administration is included with the State Application. Simultaneously with the submission of this letter, the City is submitting an amortization schedule relating to this specific financing to the Department of Finance and Administration for further approval, a copy of which schedule is enclosed. As was mentioned above, the City does not expect that the debt service on the bonds will need to be payable from any sources other than TDZ Revenues.

Additional Information

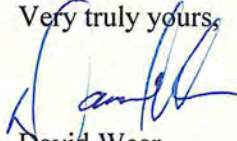
As requested in the proposed guidelines, we have enclosed the adopted bond resolution authorizing the debt as to which the City is requesting State Funding Board approval. We have also enclosed the proposed Preliminary Official Statement relating to the authorized bonds. The proposed transaction does not involve a structured lease agreement, balloon indebtedness or an interest rate swap agreement, so those requirements of the proposed guidelines are not applicable.

In April of 2006, the Project List was updated to add a Greenway for \$1.5 million. At the same time, we decreased the estimated cost of the Wastewater Treatment Plant Expansion by the same amount,

thereby keeping the overall estimated cost the same. We have attached a copy of the correspondence confirming this to this application.

If you have any questions or need any additional information with respect to this request, please do not hesitate to contact us.

Very truly yours,



David Wear
Mayor



Earlene Teaster
City Manager

Enclosures –

- A - TDZ Application including Original Amortization Schedule for Anticipated TDZ Debt
- B - Amortization Schedule for Proposed Bond Financing
- C - Bond Resolution
- D - Preliminary Official Statement
- E - Updated Project and Cost List with Related Email Correspondence



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
OFFICE OF STATE AND LOCAL FINANCE

August 24, 2018

Industrial Development Board of the City of Chattanooga & the City of Chattanooga

The Industrial Development Board of the City of Chattanooga (the “IDB”) and the City of Chattanooga (the “City”) is requesting approval from the Tennessee State Funding Board (SFB) to issue Lease Rental Revenue Bonds having a pledge of an allocation of state and local sales and use taxes pursuant to the Convention Center and Tourism Development Financing Act of 1998 (Title 7 Chapter 88 of the Tennessee Code Annotated) (the “1998 Act”). Request for approval is required by Public Chapter 816, Acts of 2018 which amended the 1998 Act. The proposed debt will be issued as tax exempt refunding in the amount of \$32,265,000 and as tax refunding in the amount of \$28,235,000.

A. Approval Request Letter

1) Timing of Approval Request:

- ☐ The municipality submitted the request with all applicable accompanying items at least 60 calendar days prior to the proposed sale date of the debt.
- ☒ The municipality did not submit the request with all applicable accompanying items at least 60 calendar days prior to the proposed sale date of the debt.
- ☒ Alternate timeframe agreed upon in writing
- ☐ No agreed upon alternate timeframe

2) The requestor is a:

- ☐ Municipality
- ☒ Industrial Development Board (IDB)
- ☐ Other Entity

Contact information of entity:

Andy Berke, Mayor (423-643-7800), mayor@chattanooga.gov

Phillip A. Noblett, City Attorney (423-643-8233), pnoblett@chattanooga.gov

Daisy Madison, Administrator/City Finance Officer (423-643-7363), dmadison@chattanooga.gov

3) Type of Debt:

Fixed Rate Bonds issued under the Tennessee Industrial Development Act of 1955 and
Convention Center Financing Act of 1998

4) Type of Security:

Lease Rental Revenue Bonds with a combined par amount of \$60,500,000

5) The purpose of the proposed debt issuance is:

☒ Refunding; Tax Exempt current refunding of 2007 Series Bonds

☐ Taxable advanced refunding of 2010 Series Bonds

☐ New Money

☐ Both

6) Proposed Structure of the Debt:

☒ Level Debt Service:

Tax Exempt Series A maturing 10/1/19 through 10/1/28

Taxable Series B maturing 10/1/19 through 10/1/24

☐ Level Principal maturing _____ through _____

☐ Other maturing _____ through _____

7) Method of Sale:

- ☐ Competitive
- ☐ Negotiated
- ☒ Direct Placement; Loan with Raymond James

8) Expected Sale Date of the Debt: October 1st

9) Binding Statements Present

☒ Municipality will use debt proceeds for specified QPUF in the TDZ or to refund debt that financed a QPUF in requirements of State law

☒ Municipality will not issue new money or refunding debt secured, in whole or in part, by a pledge of TDZ revenue with a final maturity extending beyond the fiscal year in which the final date of the apportionment and distribution of state and local sales and use taxes occurs

☒ Municipality will repay the debt if TDZ revenues are not sufficient

The city confirmed it is obligated to make lease payments under a Lease Agreement and the lease payments are paid from a 0.25% Local Option Sales & Use Tax dedicated to economic development when TDZ revenues are insufficient (Appendix D – pg. 21).

B. Additional Documentation

☒ Confirmation from Issuer that the project to be financed is certified as a QPUF by Finance and Administration and if applicable confirmation the project financed by the original debt is still in service.

☒ Debt Amortization schedule with approval letter from the Commissioner of Finance and Administration or evidence of submission for approval

☒ Adopted Debt Authorizing Resolution

☒ Draft POS or offering memorandum (If bank loan, a loan agreement or promissory note)
Placement Agent Agreement with Raymond James

☒ Lease Agreement (If one is associated with this debt)

☐ Approved Plan of Balloon Indebtedness (If required)

N/A

☐ Positive Report of Compliance with SFB Guidelines for Interest Rate and Forward Purchase Agreements (If required)

N/A

C. Additional Documentation – Refunding Only

☐ Confirmation of the filing of all required Annual Reports with the Commissioner of the Department of Finance and Administration and the State Building Commission

N/A

☐ Report of the Plan of Refunding from Office of State and Local Finance, if applicable

N/A

Phillip A. Noblett
City Attorney



City of Chattanooga
Office of the City Attorney

August 24, 2018

Ms. Sandra Thompson
Assistant Secretary to the State of Tennessee Funding Board
Cordell Hull Building
425 Fifth Avenue North
Nashville, Tennessee 37243-0274

Dear Ms. Thompson:

The Industrial Development Board of the City of Chattanooga ("IDB") and the City of Chattanooga, TN (the "City") are submitting this request for approval by the State Funding Board to issue debt payable from Tourism Development Zone ("TDZ") Revenues as defined by the Convention Center Financing Act of 1998 (the "Act"). The proposed financing is the IDB Lease Rental Revenue Refunding Bonds, Series 2018 ("Series 2018 Bonds"). The Act was recently amended by Public Chapter 816, Acts of 2018, to require any debt payable from TDZ Revenues be approved by the State Funding Board. This letter and its contents has been prepared pursuant to the proposed guidelines for requesting approval on the issuance of debt payable from TDZ Revenues. This letter and its contents have been prepared as a request for approval by the State Funding Board at its next meeting in September 2018.

Background Information

In October 1999, the City received approval on a TDZ as part of the Act. A copy of the approval received from the State of Tennessee Department of Finance and Administration dated April 14, 2000, included herein as Appendix A. In October 2000, the IDB issued \$129,200,000 of Chattanooga Lease Rental Revenue Bonds, Series 2000 ("Series 2000 Bonds"). The proceeds of the Series 2000 Bonds were used to fund a Convention and Trade Center Expansion (Qualified Public Use Facility or QPUF), Conference Hotel and Training Center, parking garage and City office building (collectively referred to as the "Projects"). The proceeds of the Series 2000 Bonds were loaned to the Chattanooga Downtown Redevelopment Corporation f/k/a Southside Redevelopment Corporation ("CDRC") pursuant to a Loan Agreement. The Series 2000 Bonds were later refinanced by the IDB's Chattanooga Lease Rental Revenue Refunding Bonds, Series 2007 ("Series 2007 Bonds") and Series 2010 Bonds ("Series 2010 Bonds").

TDZ Progress and QPUF Success

The Chattanooga/Hamilton County Convention and Trade Center originally opened in April of 1985. At that time the facility consisted of an exhibit hall of 50,000 square feet, a ballroom of 9,000 square

feet and 2,600 square feet of meeting space. The expansion/renovation project as the QPUF began in 2001 which added the entire 1200 block of Carter Street.

The greatly expanded facility opened in 2003 with 100,800 square feet of exhibit space, 18,360 square feet of ballroom space and 25,580 square feet of meeting room space. The original footprint of the building prior to 2003 was approximately 110,000 square feet and the expanded facility is now over 312,000 square feet.

The economic impact of the events that the facility hosted from 1985 through 2003 was approximately \$20,000,000 – \$24,000,000 annually. The expanded facility hosts an average of 400 – 440 events per year. Included in those numbers are 40-50 conventions along with a variety of public show, banquets and local meetings. These events account for direct economic impact of around \$35-\$40 million annually. Below is a chart of the last 12 years of economic impact since the opening of this expanded facility:

Estimated Economic Impact*

2006	\$37,432,788
2007	\$41,208,719
2008	\$36,185,311
2009	\$30,788,675
2010	\$30,468,580
2011	\$32,768,820
2012	\$38,070,113
2013	\$33,616,299
2014	\$33,431,836
2015	\$38,264,101
2016	\$32,991,445
2017	\$39,317,068
2018	\$40,185,029

*Economic Impact prepared by the Chattanooga Convention Center and assumes conservative calculations including lodging at \$99 per day, meals at \$54 per day and other spending at \$47 per day and do not account for any turnover multipliers in the community.

The City's Finance Department has quantified the local sales tax growth within the TDZ based on the local portion of the TDZ Revenues. Since Fiscal Year 2002, the total commercial sales are over \$177 million in the TDZ which have generated over \$3.9 million in local sales tax.

TDZ incremental tax receipts and growth over the base		
	Local TDZ Revenues	Est Sales w/in TDZ
FY02	281,474	12,509,955.56
FY03	330,648	14,695,466.67
FY04	189,123	8,405,466.67
FY05	191,027	8,490,088.89
FY07	69,252	3,077,866.67
FY10	549,755	24,433,555.56
FY17	1,049,789	46,657,288.89
FY18	1,328,139	59,028,400.00
Estimated economic impact of the TDZ	3,989,207.00	177,298,088.89

Contact Information

The City's Attorney's office and the City's Finance Department have been representing the interest of the City, IDB and the CDRC throughout the process of evaluating the issuance of the Series 2018 Bonds. The City Mayor, Andy Berke, and his staff are briefed weekly by the City's Finance Officer. The following contacts are available should you have any questions:

Andy Berke, Mayor (423) 643-7800, mayor@chattanooga.gov

Phillip A. Noblett, City Attorney (423) 643-8233, pnoblett@chattanooga.gov

Daisy W. Madison, Administrator/City Finance Officer (423) 643-7363, dmadison@chattanooga.gov

The address for the City and Mayor Berke and the City Finance Officer is: 101 East 11th Street; Chattanooga, TN 37402. The address for the City Attorney is 100 East 11th Street, Suite 200, Chattanooga, TN 37402.

In addition to the City contacts above, the City's Financial Advisor, Lauren Lowe, PFM Financial Advisors LLC, is available and she may be reached at 901-682-8356 or lowel@pfm.com.

Description of the Debt

As of August 2018, the following debt was outstanding:

	Series 2007 Bonds	Series 2010 Bonds
Par Amount	\$48,450,000	\$42,480,000
Maturity Dates	10/1/2018 through 10/1/2030	10/1/2018 through 10/1/2024
Interest Rate	Fixed Rate	Fixed Rate
Optional Redemption Date	10/1/2017; on any interest payment date (4/1 & 10/1)	10/1/2020
Tax Status	Tax-Exempt	Tax-Exempt

The CDRC has opted to sell the Conference Hotel and Training Center (the “Chattanooga Hotel” or “Chattanooga”), a 200 room hotel, to a private developer for \$27,000,000. The decision to sell the hotel allows for the IDB/CDRC to pay off a large portion of outstanding Series 2007 Bonds and Series 2010 Bonds and for the hotel to be associated with a hotel brand/flag and position it for future success as a taxable nongovernmental business. By selling the Chattanooga Hotel, the IDB will need to defease or refinance all of the Series 2007 Bonds and Series 2010 Bonds. The IDB will apply the \$27,000,000 to pay off a portion of the Series 2007 Bonds and Series 2010 Bonds. Appendix B outlines how the \$27,000,000 will be applied to pay off outstanding debt. It is anticipated that the sale of the Chattanooga Hotel will close in late September 2018 or very early October 2018. To sell the Chattanooga Hotel and deliver title of the building, the financing documents require refinancing or paying off all outstanding Series 2007 Bonds and Series 2010 Bonds. The timing of the Chattanooga Hotel sale closing requires a simultaneous refinancing of the associated bonds as referenced above. Should there be a delay in the Chattanooga Hotel sale closing; the buyer has the option to terminate the Purchase and Sale Agreement.

The Series 2007 Bonds may be refinanced only on an interest payment date (April 1 or October 1). If the Series 2007 Bonds are refinanced after October 1, 2018 [but before January 1, 2019], the IDB will have to issue taxable debt to do so. It is the City’s preference to avoid the use of taxable debt, if possible, due to the increased interest rate cost. This requirement is associated with the Tax Cuts and Jobs Act passed into law in December 2017. Given the need to close on the Chattanooga Hotel sale before January 2019, the IDB needs to close on a refinancing of the Series 2007 Bonds by October 1, 2018 to avoid using taxable debt to refinance the Series 2007 Bonds. The Series 2010 Bonds have an optional redemption date of October 1, 2020. As mentioned above, the Tax Cuts and Jobs Act will not allow this debt to be refinanced with tax-exempt debt; however, the cost of taxable debt has been factored into all analysis provided herein.

A description of the Series 2018 Bonds is as follows:

	Series 2018A Bonds	Series 2018B Bonds
Type of Debt	Fixed Rate Bonds issued under the Tennessee Industrial Development Corporations Act of 1955, per T.C.A. 7-53-101 and Convention Center Financing Act of 1998.	
Type of Security	IDB Lease Rental Revenue Refunding Bonds	
Purpose of Financing	Refinance the Series 2007 Bonds (current refunding)	Refinance the Series 2010 Bonds (advance refunding)
Proposed Structure	Level Aggregate D/S maturing 10/1/2019 through 10/1/2028	Level Aggregate D/S maturing 10/1/2019 through 10/1/2024
Method of Sale	Direct Placement/Loan with Raymond James	
Expected Sale Date/Close Date	10/1/2018	
Par Amount	\$32,265,000	\$28,235,000
Interest Rate	Fixed Rate ~ 3.309%	Fixed Rate ~ 3.995%
Tax Status	Tax-Exempt	Taxable

Binding Statements

The IDB and the City will use the proceeds of the Series 2018 Bonds to refinance debt and pay expenses, associated with such refinancing, issued in accordance with the Act and originally issued to fund the Projects, including the QPUF, in accordance with the requirements of Tennessee law.

The IDB and the City will not issue any new debt or refinancing debt with a final maturity extending beyond the final date of the apportionment and distribution of the TDZ Revenues to the City per the Act which is October 1, 2030.

If TDZ Revenues are insufficient to pay any portion of the Series 2018 Bonds debt service, the City confirms it is obligated to make Lease Payments under a Lease Agreement as described below. The CDRC has leased the Projects to the City pursuant to the Conference Center Complex and Parking Garage Lease Agreement ("Lease Agreement"). Under the Lease Agreement, the City is required to pay rent to the CDRC sufficient to make payments due under the Loan Agreement between the CDRC and the IDB.

Confirmation of Qualified Public Use Facilities

The IDB and the City confirm the proceeds of the Series 2018 Bonds are associated with a QPUF. The Series 2000 Bonds, later refunded by the Series 2007 Bonds and Series 2010 Bonds, were issued to finance the Projects, including the Convention and Trade Center Expansion or QPUF. The Series 2018 Bonds will be issued to refinance both the Series 2007 Bonds and Series 2010 Bonds. The Convention and Trade Center will remain in service.

The City's records of the Project cost and the expenditures of the original Series 2000 Bond proceeds are compared to the City's TDZ Application are included below:

Project Costs Financed from the Series 2000 Bonds		
	Actual Project Costs	Application Amount
Convention and Trade Center Expansion (QPUF)	\$ 50,000,610	\$ 50,000,000
Conference Center/Chattanooga Hotel	46,453,073	43,500,000
Development Resource Center	12,011,183	11,000,000
Parking Garage	8,579,384	10,800,000
Infrastructure	2,720,878	2,400,000
Total	\$ 119,765,128	\$ 117,700,000

Debt Amortization per T.C.A. § 7-88-109

The City delivered a letter to the State Department of Finance and Administration to review and approve the proposed debt amortization of the Series 2018 Bonds. A copy of that letter and its attachments is included as Appendix C. In an effort to proceed quickly to meet the planned close date, we are seeking your review concurrent to the review of the Department of Finance and Administration. The complete plan of finance for the Series 2018, including the defeasance, is located in Appendix D.

As described within the State Department of Finance and Administration letter; *Risks and Considerations*, there are various elements of risk inherent due to the simultaneously occurring real estate transaction to sell the Chattanooga Hotel. Given the possible scenarios that could transpire on the Chattanooga Hotel sale, the City respectfully requests the State Funding Board to provide the ability to address either of those scenarios and possible debt amortization with the Department of Finance and Administration and not require additional State Funding Board approvals after an initial approval. In either scenario, the City will not extend the debt or increase the aggregate annual debt service payments. Please provide written confirmation that the State Funding Board approves proceeding with the plan of finance, unless otherwise modified and agreed upon with the Department of Finance and Administration on or before September 13, 2018 so that the City, IDB, and CDRC may complete the sale and issue bonded indebtedness as set forth in the terms of this letter.

Additional Documentation

Document	Status
Adopted Debt Authorizing Resolution Appendix E	CDRC Resolution included herein; City Council Resolution included herein; IDB Resolution to be presented at the September 10, 2018 meeting. Draft IDB Resolution to be provided by August 31, 2018
POS or Offering Document	N.A. - Direct Placement/Loan with Raymond James
Plan of Refunding	N.A. – IDB as the Issuer

You may contact me at 423-643-8233 or Daisy W. Madison, Administrator/City Finance Officer, at 423-643-7363 for additional information or clarification if needed.

Sincerely,



PHILLIP A. NOBLETT
City Attorney / Chief Legal Officer

cc: Ms. Angela Scott, Department of Finance and Administration
Ms. Daisy W. Madison, Administrator/City Finance Officer

Enclosures: Appendix A – Original TDZ Approval
 Appendix B – Proposed Bond Defeasance with Hotel Sale Proceeds
 Appendix C – Debt Amortization Letter for the Department of Finance and Administration
 Appendix D – Series 2018 Plan of Finance (Debt Service Structure)
 Appendix E – CDRC and City Council Authorizing Resolutions

**RESOLUTION ALLOCATING FROM THE DEBT SERVICE FUND TO
THE CAPITAL PROJECTS FUND \$7,000,000.00 AND CANCELING
AUTHORIZED BONDS**

RECITALS

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 and no cents (\$381,900,000.00) of which Seventy Million Dollars and no cents (\$70,000,000.00) is allocated pursuant to Section 4(3) of the 2012 Act (the “2012 Interop Com System Bonds”) to the Department of Finance and Administration for the purpose of acquisition and implementation of an interoperable communication system upgrade.

The Funding Board has previously canceled Forty-Two Million Dollars and no cents (\$42,000,000.00) of the 2012 Interop Com System Bonds; none of the remaining Twenty-Eight Million Dollars and no cents (\$28,000,000.00) of the 2012 Interop Com System Bonds principal amount authorized has been issued as 2012 Interop Com System Bonds but bond anticipation notes in the form of commercial paper have been issued.

Section 6, Item 11 of Chapter 1061, Public Acts of Tennessee, 2018 (the “2018 Appropriation Act”) appropriates to the Funding Board the sum of Seven Million Dollars and no cents (\$7,000,000.00) to cancel a like amount of unissued 2012 Interop Com System Bonds.

By memorandum dated July 10, 2018, the Commissioner of Finance and Administration recommended that the Funding Board proceed with canceling Seven Million Dollars and no cents (\$7,000,000.00) of the unissued 2012 Interop Com System Bonds.

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

1. The project authorized to be financed by the 2012 Interop Com System Bonds has been financed in part with commercial paper and the commercial paper has been retired in whole or in part without the issuance of bonds and Seven Million Dollars and no cents (\$7,000,000.00) is no longer needed to fund such authorized project.
2. Seven Million Dollars and no cents (\$7,000,000.00), in accordance with the authority provided by Tennessee Code Annotated Sections 9-9-205 and 9-9-208, is allocated from the Debt Service Fund to the Capital Projects Fund to defray the cost of a portion of the 2012 Interop Com System Act Bonds.

3. In accordance with authority provide by Tennessee Code Annotated Section 9-9-208, the 2018 Appropriation Act and the memorandum from the Commissioner of Finance and Administration dated July 10, 2018, the Funding Board hereby cancels Seven Million Dollars and no cents (\$7,000,000.00) of the principal amount of the 2012 Interop Com System Bonds.

4. This resolution shall be effective as of September 13, 2018 and all resolutions in conflict herewith are hereby repealed.

Adopted by the Funding Board at its meeting on September 13, 2018.

JUSTIN P. WILSON, SECRETARY
TENNESSEE STATE FUNDING BOARD