



JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Deputy Comptroller*

**TENNESSEE STATE FUNDING BOARD  
AUGUST 28, 2020  
AGENDA**

1. Call meeting to order
2. Consideration for approval of State Funding Board minutes from the July 20, 2020, meeting
3. Presentation and consideration for approval of Tennessee Housing Development Agency's Schedule of Financing for Fiscal Year 2020-2021
4. Report from the Department of Economic and Community Development for approval of funding for the following projects:
  - **Tyson Farms, Inc. – Union City (Obion County) FastTrack**  
Economic Development \$2,100,000
  - **Amazon.com Services, Inc. – Mount Juliet (Wilson County)**  
FastTrack Economic Development \$2,000,000
  - **Southern Champion Tray, L.P. – Chattanooga (Hamilton County)**  
FastTrack Economic Development \$1,200,000
  - **MAHLE Behr Dayton L.L.C. – Murfreesboro (Rutherford County)**  
FastTrack Economic Development \$2,800,000
5. Consideration for approval of a "Resolution Allocating from the Debt Service Fund to the Capital Projects Fund \$1,400,000 and Canceling Authorized Bonds"
6. Consideration for approval of a "Resolution Allocating from the Debt Service Fund to the Capital Projects Fund \$7,000,000 and Canceling Authorized Bonds"
7. Consideration for approval of a "Resolution Allocating from the Debt Service Fund to the Capital Projects Fund \$50 and Canceling Authorized Bonds"
8. Consideration for approval for the City of Memphis to issue Tourism Development Zone debt

## **TENNESSEE STATE FUNDING BOARD**

**July 20, 2020**

The Tennessee State Funding Board (the “Board”) met on Monday, July 20, 2020, at 1:45 p.m., via WebEx Events with certain members being physically present in the Tennessee State Capitol, Executive Conference Room, Ground Floor, Nashville, Tennessee. Interested members of the public were only able to observe and listen to the meeting through electronic means. The Honorable Justin Wilson, Comptroller of the Treasury, was present and presided over the meeting.

The following members were also physically present:

The Honorable Tre Hargett, Secretary of State  
Commissioner Butch Eley, Department of Finance and Administration

The following member participated electronically via WebEx Events:

The Honorable David Lillard, State Treasurer

The following member was absent:

The Honorable Bill Lee, Governor

Seeing a physical quorum present, Mr. Wilson called the meeting to order and asked for approval of the minutes from the meeting held on June 25, 2020. Mr. Hargett made a motion to approve the minutes, and Mr. Eley seconded the motion. Mr. Wilson then asked Ms. Sandi Thompson, Assistant Secretary of the Board and Director of the Division of State Government Finance to conduct a roll call vote:

Mr. Wilson – Aye  
Mr. Hargett – Aye  
Mr. Eley – Aye  
Mr. Lillard – Aye

The motion was unanimously approved.

Mr. Wilson then presented for consideration and approval a “Resolution Allocating from the Debt Service Fund to the Capital Projects Fund \$468,726 and Canceling Authorized Bonds”. Mr. Wilson stated that this resolution was to cancel bonds related to the University of Memphis (UOM) project for acquisition of sites and existing structures within UOM’s master plan. Mr. Wilson further stated that UOM had repaid \$468,726 of commercial paper and the purpose of the resolution was to cancel a like amount of authorized bonds. This resolution had an effective date of June 30, 2020. Mr. Wilson made a motion to adopt the resolution, and Mr. Hargett seconded the motion. Ms. Thompson called the roll:

Mr. Wilson – Aye  
Mr. Hargett – Aye  
Mr. Eley – Aye  
Mr. Lillard – Aye

The motion to adopt the resolution was unanimously approved.

Mr. Wilson then recognized Ms. Thompson who presented for consideration and approval a “Resolution Certifying and Authorizing the Allocation of Funds to the Sinking Fund for the 2020-2021 Fiscal Year”. Ms. Thompson stated that the resolution is done annually to allocate the amount of tax revenue necessary to meet the state’s debt service on its General Obligation bonds. This resolution had an effective date of July 1, 2020. Mr. Wilson made a motion to adopt the resolution, and Mr. Hargett seconded the motion. Ms. Thompson called the roll:

Mr. Wilson – Aye  
Mr. Hargett – Aye  
Mr. Eley – Aye  
Mr. Lillard – Aye

The motion to adopt the resolution 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”. Mr. Wilson stated that the resolution authorized the issuance of General Obligation bonds in the amount of \$124,000,000 for highway construction pursuant to Public Acts 2020, Chapter 649. Mr. Wilson further stated that bonds were not issued for highway construction projects but must be authorized to meet the constitutional requirements to enter into highway construction contracts. This resolution had an effective date of July 1, 2020. Mr. Wilson made a motion to adopt the resolution, and Mr. Eley seconded the motion. Ms. Thompson called the roll:

Mr. Wilson – Aye  
Mr. Hargett – Aye  
Mr. Eley – Aye  
Mr. Lillard – Aye

The motion to adopt the resolution 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”. Mr. Wilson stated that the resolution authorized the issuance of General Obligation bonds in the amount of \$221,696,000 pursuant to Public Acts 2020, Chapter 758. Mr. Wilson further stated that \$52,085,000 was allocated to the Department of Finance and Administration (“F&A”) for various capital projects, \$50,000,000 for the Industrial Development Board (“IDB”) of the City of Chattanooga for the Volkswagen Group of America project, \$65,000,000 for the IDB of Metropolitan Government of Nashville and Davidson County for the Amazon.com Services project, \$32,911,000 for the University of Memphis STEM Research and Classroom Building project, and \$21,700,000 for the Tennessee Board of Regents - TCAT Chattanooga Advanced Manufacturing Building project. This resolution had an effective date of July 1, 2020. Mr. Wilson made a motion to adopt the resolution, and Mr. Hargett seconded the motion. Ms. Thompson called the roll:

Mr. Wilson – Aye  
Mr. Hargett – Aye  
Mr. Eley – Aye  
Mr. Lillard – Aye

The motion to adopt the resolution 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”. Mr. Wilson explained that the resolution canceled bonds for highway construction projects in the amount of \$74,000,000. This resolution had an effective date of July 1, 2020. Mr. Wilson made a motion to adopt the resolution, and Mr. Eley seconded the motion. Ms. Thompson called the roll:

Mr. Wilson – Aye  
Mr. Hargett – Aye  
Mr. Eley – Aye  
Mr. Lillard – Aye

The motion to adopt the resolution was unanimously approved.

Mr. Wilson then recognized Ms. Thompson who presented the annual review of the Board’s Debt Management Policy (the “Policy”). Ms. Thompson stated that the Policy found in the Board members’ packets was previously distributed to the Board members and their staff for review and comments. Ms. Thompson further stated that the Policy requires a review on at least an annual basis. Ms. Thompson then stated that staff was asked to provide updates or comments to the Policy and that none were received, but one revision was necessary to change the name of the Office of State and Local Finance to the Division of State Government Finance. Mr. Hargett then inquired if an annual review of the Policy was often enough. Ms. Thompson replied that revisions would be made as issues arose but if the issues do not occur then the Policy is reviewed at least annually. No further action was necessary.

Mr. Wilson then recognized Ms. Cindy Liddell, Program Accountant, Division of State Government Finance, to present a report on the State of Tennessee general obligation (“GO”) commercial paper (“CP”) and long-term debt programs (the “Report”). Ms. Liddell first presented an analysis of the GO CP Program for the fiscal year 2020. Ms. Liddell stated that for fiscal year the average daily balance of taxable CP outstanding was \$58,249,885 and \$100,387,036 for tax-exempt CP outstanding. Ms. Liddell further stated that the interest rate range for the fiscal year was 0.60% to 2.60% for the taxable CP and 0.40% to 1.90% for the tax-exempt CP, resulting in weighted average yields of 1.86% for the taxable CP and 1.23% for the tax-exempt CP. Ms. Liddell then stated that the CP Program incurred expenses during the fiscal year in the amount of \$3,286,247 in CP interest, \$1,225,000 for the Standby Commercial Paper Purchaser Agreement Fee, \$79,449 in dealer services fees, \$3,000 for issuing and paying agent fees, and \$10,000 for rating agency surveillance fees. Ms. Liddell then reported that as of the end of fiscal year 2020 the amount of CP outstanding was \$120,996,000, comprised of \$40,863,000 of taxable CP and \$80,133,000 of tax-exempt CP. Ms. Liddell further reported that as of June 30, 2020, long-term debt outstanding totaled \$1,710,955,000 comprised of \$198,165,000 of taxable bonds and \$1,512,790,000 of tax-exempt bonds. No further action was necessary.

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

Approved on this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

Respectfully submitted,

Sandra Thompson  
Assistant Secretary

**TENNESSEE HOUSING DEVELOPMENT AGENCY**

**SCHEDULE OF FINANCING**

**FISCAL YEAR 2020 - 2021**

**SUMMARY**

The Tennessee Housing Development Agency (“THDA”) is required, under Tennessee Code Annotated Section 13-23-120(e)(1), to submit a schedule to the State Funding Board showing financings proposed for the fiscal year. The proposed schedule for fiscal year 2020 - 2021 is attached.

Total amount of bonds or notes reflected on Schedule  
of Financing for Fiscal Year 2020 - 2021:

\$505,000,000\*

\*This amount may increase as refunding opportunities arise.

**TENNESSEE HOUSING DEVELOPMENT AGENCY**

**SCHEDULE OF FINANCING  
FISCAL YEAR 2020 -2021**

**ISSUE 2020-3 - RESIDENTIAL FINANCE PROGRAM BONDS –NEW VOLUME  
CAP/REFUNDING  
July 2020**

Sources of Funds

Proceeds of the Issue	\$ 145,000,000
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Uses of Funds

To Purchase Mortgage Loans or Refund Outstanding Bonds	\$ 145,000,000
Bond Reserve Funds )	
Underwriting Fee/Bond Discount )	\$ THDA contribution, or no more
than 1% of	
Capitalized Interest )	bond proceeds, or a combination
thereof	
Cost of Issuance )	

**ISSUE 2020-4 - RESIDENTIAL FINANCE PROGRAM BONDS –NEW VOLUME  
CAP/REFUNDING  
November 2020**

Sources of Funds

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

To Purchase Mortgage Loans or Refund Outstanding Bonds	\$ 120,000,000
Bond Reserve Funds )	
Underwriting Fee/Bond Discount )	\$ THDA contribution, or no more
than 1% of	
Capitalized Interest )	bond proceeds, or a combination
thereof	
Cost of Issuance )	

\*This amount may increase as refunding opportunities arise.

**ISSUE 2021-1 - RESIDENTIAL FINANCE BONDS –NEW VOLUME CAP/REFUNDING**  
**February 2021**

Sources of Funds

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

To Purchase Mortgage Loans or Refund Outstanding Bonds	\$ 120,000,000
Bond Reserve Funds	)
Underwriting Fee/Bond Discount	)
than 1% of	\$ THDA contribution, or no more
Capitalized Interest	)
thereof	bond proceeds, or a combination
Cost of Issuance	)

\*This amount may increase as refunding opportunities arise.

**ISSUE 2021-2 - RESIDENTIAL FINANCE PROGRAM BONDS –NEW VOLUME**  
**CAP/REFUNDING**  
**May 2021**

Sources of Funds

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

To Purchase Mortgage Loans or Refund Outstanding Bonds	\$ 120,000,000
Bond Reserve Funds	)
Underwriting Fee/Bond Discount	)
than 1% of	\$ THDA contribution, or no more
Capitalized Interest	)
thereof	bond proceeds, or a combination
Cost of Issuance	)

\*This amount may increase as refunding opportunities arise.

### Single Family Bonds Sold in FY 2019 - 2020

	\$ 150,000,000	Issue 2019-3 Residential Finance Program Bonds, Dated September 30, 2019
	\$ 200,000,000	Issue 2019-4 Residential Finance Program Bonds, Dated December 11, 2019
	\$ 200,000,000	Issue 2020-1 Residential Finance Program Bonds, Dated March 25, 2020
	\$ 108,500,000	Issue 2020-2 Residential Finance Program Bonds Dated May 28, 2020
TOTAL	<u>\$658,500,000</u>	

**Multifamily Bonds Sold in FY 2018-2019**      \$            0

**Volume Cap Used by Local Issuers  
For Multi-Family Housing in 2019**      \$ 286,114,000      From THDA's 2019 Volume Cap Allocation

**Volume Cap Available to Local Issuers  
For Multi-Family Housing in 2020**      \$ 325,486,025      From THDA's 2020 Volume Cap Allocation

### ASSUMPTIONS

1. A bond issue may include any structure authorized by the Board and approved by the Bond Finance Committee or Authorized Officer, including, without limitation, convertible option bonds, short term notes, variable rate debt, taxable debt, planned amortization class bonds.
2. Dates of bond issues are based on estimated absorption of available funds and expected need for additional funds for three to four months, subject to the actual rate at which mortgage loans are currently being purchased.
3. THDA anticipates taking the maximum spread allowed under federal law for each bond issue, which is 112 basis points. The maximum spread could, however, be reduced based on program requirements at the time of sale. Interest rates for THDA loans could be further subsidized.
4. THDA anticipates future bonds will be issued under the 2013 General Resolution to continue to reduce the moral obligation of the state for THDA bonds.



5. The volume cap assumption is that 35% of the annual total tax-exempt bond authority amount available in Tennessee is made available to THDA at the beginning of each calendar year. This is the allocation to THDA for all tax-exempt housing bond issuance in the state in the current Department of Economic and Community Development plan.
6. A THDA contribution may be made for each bond issue as needed to over-collateralize the bond issue for the benefit of THDA borrowers, to fund required reserves, to pay cost of issuance or to ensure that the maximum amount of bond proceeds is used to fund mortgage loans. The amount and source of the THDA contribution is determined at the time it is needed. The amount of the contribution, if needed, is based on the structure of the bond issues, an analysis of debt service requirements of the general resolution under which the bonds are issued, the fee paid to underwriters and an estimate of other costs of issuance expected to be incurred. The source of such THDA contribution is assets available for such purpose under the 2013 General Resolution, 1985 General Resolution or the 2009 General Resolution.

# FastTrack Report to State Funding Board

8/25/2020

1. Previous FastTrack Balance, as of Last Report	239,717,205.19
2. + New Appropriations:	45,213,862.69
3. + Newly Deobligated Funds:	108,500.00
4. + Funds Transferred to FastTrack:	25,698,562.71
5. - Funds Transferred from FastTrack:	0.00
6. - FastTrack Grants or Loans Approved Greater Than \$750,000:	(11,058,156.21)
7. - FastTrack Grants or Loans Approved Less Than \$750,000:	(1,834,700.00)
8. - FastTrack Administration	(615,576.72)
9. Adjusted FastTrack Balance Available for Funding FastTrack Grants or Loans:	297,229,697.66
10. Total Amount of Commitments:	229,767,943.89
11. Uncommitted FastTrack:	67,461,753.77
12. Percentage Committed:	77.3%
13. Amount of Proposed Grants or Loans:	8,100,000.00
14. Uncommitted FastTrack Balance if Proposed Grants or Loans Approved:	59,361,753.77
15. Percentage Committed:	80.0%

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: 



## Department of Economic and Community Development

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Bob Rolfe  
Commissioner

Bill Lee  
Governor

August 28, 2020

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. Tyson Farms, Inc. – Union City (Obion County)**

Tyson Farms, Inc. is a subsidiary of one of the world's largest food companies Tyson Foods, Inc. Tyson Farms, Inc.'s Union City complex supplies chicken for a national foodservice customer. The company also operates facilities in Goodlettsville, Newbern, and Shelbyville, employing about 5,000 in Tennessee.

With this project, Tyson has added an additional 40,000 square feet and new production lines to the Union City plant. This is the company's second expansion in Union City since 2017, when it announced an \$80 million investment.

Tyson Farms, Inc. has committed to create an additional 231 net new jobs and make an \$87,646,146 capital investment within five years above and beyond the 330 jobs and \$80,115,000 capital investment the company committed to in 2017. The company will have an average wage of \$16.38 per hour for the new 561 positions.

On September 8, 2017, the State Funding Board approved TNECD the opportunity to award Tyson Farms, Inc. with a \$3,000,000 Economic Development Grant. Today we are requesting approval to award Tyson Farms, Inc. with a FastTrack Economic Development Grant to offset the costs the company will incur in building improvements and expansion of the current building and fixtures. The total grant will be valued at \$5,100,000. **(\$2,100,000)**

**Total FastTrack funds for this project - \$2,100,000**

## **2. Amazon.com Services, Inc. – Mount Juliet (Wilson County)**

The Mt. Juliet facility will be Amazon's second fulfillment center in Tennessee to use innovative robotics technology and the company's seventh fulfillment center in the Volunteer State. In January, Amazon announced it would establish a similar 1,000-job fulfillment center in Memphis. Employees at Amazon's new Mt. Juliet fulfillment center will pick, pack and ship smaller items, such as books, electronics and consumer goods.

Amazon currently operates fulfillment and sortation centers in Charleston, Chattanooga, Lebanon, Memphis, Murfreesboro and Nashville, a Prime Now Hub in Nashville and various other facilities supporting last mile delivery operations across the state. The company is in the midst of building a corporate office in downtown Nashville, which will house the management functions for Amazon's Retail Operations division.

Amazon's fulfillment network supports millions of small, medium, and large-sized businesses worldwide through its Fulfillment By Amazon offering. There are more than 30,000 authors, sellers and developers in Tennessee, growing their businesses and reaching new customers on Amazon products and services every day.

Amazon.com Services, Inc. has committed to create 1,000 net new jobs and make a \$250,000,000 capital investment within 5 years. The company will have an average hourly wage of \$15.49 for the new positions.

FastTrack Economic Development Grant funds will help offset expenses incurred in new construction. **(\$2,000,000)**

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

## **3. Southern Champion Tray, L.P. - Chattanooga (Hamilton County)**

SCT manufactures and distributes paperboard packaging products including food sleeves, trays, window boxes, cupcake inserts and others. More recently, the company has created a new tamper-evident packaging system for use by restaurants and food delivery services. The Guarantab®, dubbed "Fort Knox in a box," securely locks the container so that customers will know their food has not been disturbed during the delivery process.

The new manufacturing facility will convert paperboard into packaging products. Construction will begin in early 2021 and is expected to be complete by early 2022. In addition to this building, SCT will maintain three other facilities in Chattanooga.

Headquartered in Chattanooga, SCT is a third generation, family-owned company. SCT employs more than 750 people and produces over 500 stock products for customers in the foodservice and baking industries. In addition, the company provides custom packaging solutions for customers across a number of industries.

Southern Champion Tray, L.P. has committed to create 120 net new jobs and make a \$84,860,550 capital investment within 5 years. The company will have an average hourly wage of \$20.20 for the new positions.

FastTrack Economic Development Grant funds will help offset expenses incurred in building expansion and new construction. **(\$1,200,000)**

**Total FastTrack funds for this project - \$1,200,000**

#### **4. MAHLE Behr Dayton L.L.C. – Murfreesboro (Rutherford County)**

MAHLE, a leading international automotive supplier based in Stuttgart, Germany, will add 140,000 square feet to its operations at 906 Butler Drive in Murfreesboro. The expansion will support new injection molding production on site. The addition in Murfreesboro will allow the company to better optimize its production footprint and be closer to automotive customers located in the Southeast.

MAHLE supplies automotive OEMs and other Tier 1 auto suppliers throughout North America. The company's product portfolio addresses all the crucial issues relating to the powertrain and air conditioning technology—both for drives with combustion engines and for e-mobility. Founded in 1920, MAHLE employees approximately 77,000 worldwide.

MAHLE Behr Dayton L.L.C. has committed to create 345 net new jobs and make a \$34,000,000 capital investment within 5 years. The company will have an average hourly wage of \$25.00 for the new positions.

FastTrack Economic Development Grant funds will help offset expenses incurred in building retrofit and building improvements. **(\$2,800,000)**

**Total FastTrack funds for this project - \$2,800,000**

Sincerely,



Handwritten signature of Robert O. Rolfe in blue ink.

Bob Rolfe

BR/js

### State Funding Board FastTrack Checklist

*FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T.C.A. § 4-3-717(e).*

Please identify the type of FastTrack funding requested and the grant or loan amount:

TYPE OF FUNDING		RECIPIENT ENTITY	GRANT AMOUNT	LOAN AMOUNT
<input type="checkbox"/>	INFRASTRUCTURE			
<input type="checkbox"/>	TRAINING*			
<input checked="" type="checkbox"/>	ECONOMIC DEVELOPMENT	The Industrial Development Board of the City of Union City, Tennessee	\$2,100,000	
TOTAL			\$2,100,000	

(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): Tyson Farms, 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 Lee  
Governor

September 4, 2019

### INCENTIVE ACCEPTANCE FORM

This form serves as notice that Tyson Farms, Inc. intends, in good faith, to create 561 private sector jobs in Union City, Obion County and make a capital investment of \$167,761,146 in exchange for incentives that will be memorialized in a grant agreement between Tyson Farms, Inc. and the State of Tennessee. New jobs must be in addition to the company's baseline of 1,059 jobs at the site in Tennessee.

#### ECD OFFER SUMMARY

FastTrack Economic Development Grant:	\$ 5,100,000
<b>Total ECD Commitment:</b>	<b>\$ 5,100,000</b>

Please sign your name in the space below to signify Tyson Farms, Inc.'s acceptance of ECD's offer set forth above and return it by December 2, 2019 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. ECD reserves the right to recover funds for this project if grant contracts are not executed within one year of the date of signature below.

Signature:   
(Authorized Representative of Company)

Date: 9/18/19





## Department of Economic and Community Development

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Bob Rolfe  
Commissioner

Bill Haslam  
Governor

August 28, 2020

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

Dear Comptroller Wilson:

Pursuant to Tennessee Code Annotated §4-3-717 (d)(1)-(2), I am writing to inform you that the Department of Economic and Community Development is awarding a FastTrack Economic Development Grant to The Industrial Development Board of the City of Union City, Tennessee for the benefit of Tyson Farms, Inc. in the amount of \$2,100,000 to offset the costs Tyson Farms, Inc. will incur in building improvements and expansion of the current building and fixtures. 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 in a rural community. Tyson Farms, Inc. has committed to create an additional 231 net new jobs and make an \$87,646,146 capital investment within five years above and beyond the 330 jobs and \$80,115,000 capital investment the company committed to in 2017. The company will have an average wage of \$16.38 per hour for the new 561 positions. This project will have an exceptional impact.

Sincerely,

A handwritten signature in blue ink that reads "Robert D. Rolfe". The signature is fluid and cursive, with the first name "Robert" being the most prominent.

Bob Rolfe

BR/js

### State Funding Board FastTrack Checklist

*FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T.C.A. § 4-3-717(e).*

Please identify the type of FastTrack funding requested and the grant or loan amount:

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

(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):** Amazon.com Services, 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

- 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

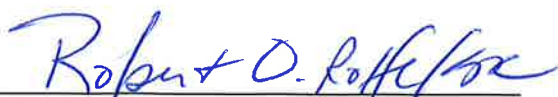
#### **Applicant must answer "Yes" to a or b.**

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 8/26/20



## Department of Economic and Community Development

Bob Rolfe  
Commissioner

Bill Lee  
Governor

November 27, 2019

### INCENTIVE ACCEPTANCE FORM

This form serves as notice that Amazon.com Services, Inc. intends, in good faith, to create 1,000 private sector jobs in Mount Juliet, Wilson County and make a capital investment of \$250,000,000 in exchange for incentives that will be memorialized in a grant agreement between Amazon.com Services, Inc. and the State of Tennessee. New jobs must be in addition to the company's baseline of 0 jobs at the project site in Tennessee.

#### ECD OFFER SUMMARY

FastTrack Economic Development Grant:	\$ 2,000,000
<b>Total ECD Commitment:</b>	<b>\$ 2,000,000</b>

Please sign your name in the space below to signify Amazon.com Services, Inc.'s acceptance of ECD's offer set forth above and return it by February 24, 2020 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. ECD reserves the right to recover funds for this project if grant contracts are not executed within one year of the date of signature below.

Signature: [Signature]  
(Authorized Representative of Company)

Date: 12/3/19



## Department of Economic and Community Development

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Bob Rolfe  
Commissioner

Bill Lee  
Governor

August 28, 2020

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 Wilson County for the benefit of Amazon.com Services, Inc. in the amount of \$2,000,000 to offset the costs Amazon.com Services, Inc. will incur in new construction. The project activities would not be eligible for the FastTrack Infrastructure Development Program.

This project will yield a proportionately significant impact on this community due to the number of jobs and significant capital investment. Amazon.com Services, Inc. has committed to create 1,000 net new jobs and to make a \$250,000,000 capital investment within five years. The company will have an average wage of \$15.49 per hour for the new positions. This project will have an exceptional impact.

Sincerely,

A handwritten signature in blue ink, reading "Robert D. Rolfe", is positioned above the printed name "Bob Rolfe". The signature is fluid and cursive.

Bob Rolfe

BR/js

### State Funding Board FastTrack Checklist

*FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T.C.A. § 4-3-717(e).*

Please identify the type of FastTrack funding requested and the grant or loan amount:

TYPE OF FUNDING	RECIPIENT ENTITY	GRANT AMOUNT	LOAN AMOUNT
<input type="checkbox"/> INFRASTRUCTURE			
<input type="checkbox"/> TRAINING*			
<input checked="" type="checkbox"/> ECONOMIC DEVELOPMENT	Hamilton County, Tennessee	\$1,200,000	
<b>TOTAL</b>		<b>\$1,200,000</b>	

(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):** Southern Champion Tray, L.P.

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

#### GENERAL STATUTORY COMPLIANCE

1. Will this new commitment cause the FastTrack appropriations to be over-committed T.C.A. § 4-3-716(g)?  
If "yes," state funding board concurrence is required. Attach the commissioner's rationale used to determine the amount of actual commitments unlikely to be accepted based on historical program trends (maximum allowed is 130% of the appropriations available for new grants). ☐ Yes ☒ No
  2. Will this new commitment place in jeopardy compliance with the legislative intent that actual expenditures and obligations to be recognized at the end of the fiscal year not exceed available reserves and appropriations of the programs T.C.A. § 4-3-716(g)? ☐ Yes ☒ No
  3. Does this grant or loan comply with the legislative intent to distribute FastTrack funds in all areas of the state to the extent practicable T.C.A. § 4-3-716(f)? ☒ Yes ☐ No
  4. Has the commissioner of economic and community development provided to the commissioner of finance and administration (with copies transmitted to the speaker of the house of representatives, the speaker of the senate, the chairs of the finance, ways and means committees, the state treasurer, the state comptroller, the office of legislative budget analysis, and the secretary of state) the most recent quarterly report regarding the status of the appropriations for the FastTrack fund T.C.A. § 4-3-716(h)? ☒ Yes ☐ No
- Identify which of the following apply:** ☒
5. a. Does the business export more than half of their products or services outside of Tennessee T.C.A. § 4-3-717(h)(1)(A)? ☐
  - b. Do more than half of the business' products or services enter into the production of exported products T.C.A. § 4-3-717(h)(1)(B)? ☐
  - c. Does the use of business' products primarily result in import substitution on the replacement of imported products or services with those produced in the state T.C.A. § 4-3-717(h)(1)(C)? ☐
  - d. Has the commissioner of economic and community development determined the business has other types of economic activity that contributes significantly to community development education and has a beneficial impact on the economy of the state T.C.A. § 4-3-717(h)(1)(D)? If "yes," attach the commissioner's rationale. ☐

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

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

### TRAINING

7. Will the grant support the training of new employees for locating or expanding industries T.C.A. § 4-3-717(c)(1)?
8. Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes T.C.A. § 4-3-717(c)(2)?

☐ Yes ☐ No

☐ Yes ☐ No

### INFRASTRUCTURE

9. Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? T.C.A. § 4-3-717(b)(2-3)?
10. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)?
11. In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates T.C.A. § 4-3-717(f)?

☐ Yes ☐ No

☐ Yes ☐ No

☐ Yes ☐ No

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

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

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### ECONOMIC DEVELOPMENT

13. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)?
14. Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds T.C.A. § 4-3-717(d)(1)?
15. Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business T.C.A. § 4-3-717(d)(1)?
16. Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community T.C.A. § 4-3-717(d)(1)? If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact.
17. The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used T.C.A. § 4-3-717(d)(2). Attach documentation.

☒ Yes ☐ No

☐ Yes ☒ No

☒ Yes ☐ No

☒ Yes ☐ No

☒ Yes ☐ No

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

  
Commissioner of Economic and Community Development

  
Date 8/26/00



## Department of Economic and Community Development

Bob Rolfe  
Commissioner

Bill Lee  
Governor

July 13, 2020

### INCENTIVE ACCEPTANCE FORM

This form serves as notice that Southern Champion Tray, L.P. intends, in good faith, to create 120 private sector jobs in Chattanooga, Hamilton County and make a capital investment of \$84,860,550 in exchange for incentives that will be memorialized in a grant agreement between Southern Champion Tray, L.P. and the State of Tennessee. New jobs must be in addition to the company's baseline of 576 jobs at the project site in Tennessee.

#### ECD OFFER SUMMARY

FastTrack Economic Development Grant:	\$ 1,200,000
<b>Total ECD Commitment:</b>	<b>\$ 1,200,000</b>

Please sign your name in the space below to signify Southern Champion Tray, L.P.'s acceptance of ECD's offer set forth above and return it by October 11, 2020 to:

Tennessee Department of Economic and Community Development  
Attn: Caleb Knight  
312 Rosa Parks Avenue, 27th Floor  
Nashville, TN 37243  
Caleb.Knight@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. ECD reserves the right to recover funds for this project if grant contracts are not executed within one year of the date of signature below.**

Signature:   
(Authorized Representative of Company)

Date: July 24, 2020





## Department of Economic and Community Development

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Bob Rolfe  
Commissioner

Bill Lee  
Governor

August 28, 2020

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 Hamilton County, Tennessee for the benefit of Southern Champion Tray, L.P. in the amount of \$1,200,000 to offset the costs Southern Champion Tray, L.P. will incur in building expansion and new construction. The project activities would not be eligible for the FastTrack Infrastructure Development Program.

This project will yield a proportionately significant impact on this community due to the number of high wage jobs and significant capital investment. Southern Champion Tray, L.P. has committed to create 120 net new jobs and make a \$84,860,550 capital investment within 5 years. The company will have an average hourly wage of \$20.20 for the new positions. This project will have an exceptional impact.

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
<b>INFRASTRUCTURE</b>			
<b>TRAINING*</b>			
<b>ECONOMIC DEVELOPMENT</b>	<b>Rutherford County Industrial Development Board</b>	<b>\$2,800,000</b>	
<b>TOTAL</b>		<b>\$2,800,000</b>	

(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):** MAHLE Behr Dayton L.L.C.

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).
- 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)?
- 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)?
- 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

☐ Yes ☒ No

☒ Yes ☐ No

☒ 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.

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**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.

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## **TRAINING**

7. Will the grant support the training of new employees for locating or expanding industries T.C.A. § 4-3-717(c)(1)?
8. Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes T.C.A. § 4-3-717(c)(2)?

☐ Yes ☐ No

☐ Yes ☐ No

## **INFRASTRUCTURE**

9. Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? T.C.A. § 4-3-717(b)(2-3)?
10. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)?
11. In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates T.C.A. § 4-3-717(f)?

☐ Yes ☐ No

☐ Yes ☐ No

☐ Yes ☐ No

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

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

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## **ECONOMIC DEVELOPMENT**

13. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)?
14. Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds T.C.A. § 4-3-717(d)(1)?
15. Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business T.C.A. § 4-3-717(d)(1)?
16. Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community T.C.A. § 4-3-717(d)(1)? If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact.
17. The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used T.C.A. § 4-3-717(d)(2). Attach documentation.

☒ Yes ☐ No

☐ Yes ☒ No

☒ Yes ☐ No

☒ Yes ☐ No

☒ Yes ☐ No

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



Commissioner of Economic and Community Development

  
Date



## Department of Economic and Community Development

Bob Rolfe  
Commissioner

Bill Lee  
Governor

July 15, 2020

### INCENTIVE ACCEPTANCE FORM

This form serves as notice that MAHLE Behr Dayton L.L.C. intends, in good faith, to create 345 private sector jobs in Murfreesboro, Rutherford County and make a capital investment of \$34,000,000 in exchange for incentives that will be memorialized in a grant agreement between MAHLE Behr Dayton L.L.C. and the State of Tennessee. New jobs must be in addition to the company's baseline of 0 jobs at the project site in Tennessee.

#### ECD OFFER SUMMARY

FastTrack Economic Development Grant:	\$ 2,800,000
<b>Total ECD Commitment:</b>	<b>\$ 2,800,000</b>

Please sign your name in the space below to signify MAHLE Behr Dayton L.L.C.'s acceptance of ECD's offer set forth above and return it by October 13, 2020 to:

Tennessee Department of Economic and Community Development  
Attn: Caleb Knight  
312 Rosa Parks Avenue, 27th Floor  
Nashville, TN 37243  
Caleb.Knight@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. ECD reserves the right to recover funds for this project if grant contracts are not executed within one year of the date of signature below.

Signature: [Signature]  
(Authorized Representative of Company)

Date: 7/16/20



## Department of Economic and Community Development

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Bob Rolfe  
Commissioner

Bill Lee  
Governor

August 28, 2020

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 Rutherford County Industrial Development Board for the benefit of MAHLE Behr Dayton L.L.C. in the amount of \$2,800,000 to offset the costs MAHLE Behr Dayton L.L.C. will incur in building 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 this community due to the number of high wage jobs and significant capital investment. MAHLE Behr Dayton L.L.C. has committed to create 345 net new jobs and make a \$34,000,000 capital investment within 5 years. The company will have an average hourly wage of \$25.00 for the new positions. This project will have an exceptional impact.

Sincerely,

  
Bob Rolfe

BR/js

**RESOLUTION ALLOCATING FROM THE DEBT SERVICE FUND  
TO THE CAPITAL PROJECTS FUND \$1,400,000 AND  
CANCELING AUTHORIZED BONDS**

**Recitals**

The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 552, Public Acts of Tennessee, 2009 (the “2009 Act”), to issue and sell its general obligation bonds in an amount not to exceed Seven Hundred One Million, One Hundred Thousand Dollars (\$701,100,000) of which Two Hundred Ten Million, Nine Hundred Thousand Dollars (\$210,900,000) is allocated pursuant to Section 4(1) of the 2009 Act (the “2009 Act Bonds”) to the Department of Finance and Administration. Twenty-Seven Million, Three Hundred Thousand Dollars (\$27,300,000) of the 2009 Act Bonds authorized is to provide funds for the West Tennessee Megasite Land and Right of Way (the “West TN Megasite”) project.

The Funding Board has previously canceled Fifteen Million Four Hundred Dollars (\$15,400,000) of the 2009 Act Bonds allocated to the West TN Megasite; none of the remaining Eleven Million, Nine Hundred Thousand Dollars (\$11,900,000) principal amount authorized has been issued as 2009 Act Bonds but bond anticipation notes in the form of commercial paper have been issued.

By memorandum dated August 7, 2020, the Commissioner of Finance and Administration notified the Funding Board that One Million, Four Hundred Thousand Dollars (\$1,400,000) is available for the West TN Megasite from funds not required for debt service and recommended that a like amount of the unissued 2009 Act Bonds be canceled.

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

1. The project authorized to be financed by the 2009 Act 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 One Million, Four Hundred Thousand Dollars (\$1,400,000) is no longer needed to fund such authorized project.
2. One Million, Four Hundred Thousand Dollars (\$1,400,000) 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 2009 Act Bonds.
3. In accordance with the authority provided by Tennessee Code Annotated Sections 9-9-205 and 9-9-208, and the memorandum from the Commissioner of Finance and Administration dated August 7, 2020, the Funding Board hereby cancels One Million, Four Hundred Thousand Dollars (\$1,400,000) of the principal amount authorized by the 2009 Act for the 2009 Act Bonds.
4. This resolution shall be effective as of August 28, 2020 and all resolutions in conflict herewith are hereby repealed.

Adopted by the Funding Board at its meeting on August 28, 2020.

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JUSTIN P. WILSON, SECRETARY  
TENNESSEE STATE FUNDING BOARD

**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 (\$381,900,000) of which Seventy Million Dollars (\$70,000,000) is allocated pursuant to Section 4(3) of the 2012 Act (the “2012 Act Bonds”) to the Department of Finance and Administration for the purpose of acquisition and implementation of an interoperable communication system upgrade (the “Interoperable System Project”).

The Funding Board has previously canceled Fifty-Six Million Dollars (\$56,000,000) of the 2012 Act Bonds allocated to the Interoperable System Project; none of the remaining Fourteen Million Dollars (\$14,000,000) of the 2012 Act Bonds principal amount authorized has been issued as 2012 Act Bonds but bond anticipation notes in the form of commercial paper have been issued.

Section 6, Item 10 of Chapter 651, Public Acts of Tennessee, 2020 (the “2020 Appropriation Act”) appropriates to the Funding Board the sum of Seven Million Dollars (\$7,000,000) to cancel a like amount of unissued 2012 Act Bonds.

By memorandum dated August 7, 2020, the Commissioner of Finance and Administration recommended that the Funding Board proceed with canceling Seven Million Dollars (\$7,000,000) of the unissued 2012 Act Bonds.

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

1. The project authorized to be financed by the 2012 Act 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 (\$7,000,000) is no longer needed to fund such authorized project.
2. Seven Million Dollars (\$7,000,000), in accordance with the authority provided by Tennessee Code Annotated Section 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 Act Bonds.
3. In accordance with authority provide by Tennessee Code Annotated Section 9-9-208, the 2020 Appropriation Act and the memorandum from the Commissioner of Finance and Administration dated August 7, 2020, the Funding Board hereby cancels Seven Million Dollars (\$7,000,000) of the principal amount authorized by the 2012 Act for the 2012 Act Bonds.
4. This resolution shall be effective as of August 28, 2020 and all resolutions in conflict herewith are hereby repealed.

Adopted by the Funding Board at its meeting on August 28, 2020.

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JUSTIN P. WILSON, SECRETARY  
TENNESSEE STATE FUNDING BOARD

**RESOLUTION ALLOCATING FROM THE DEBT SERVICE  
FUND TO THE CAPITAL PROJECTS FUND \$50 AND  
CANCELING AUTHORIZED BONDS**

**RECITALS**

The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 591, Public Acts of Tennessee, 2007 (the “2007 Act”) to issue and sell its general obligation bonds in an amount not to exceed Two Hundred Ninety-Five Million Dollars (\$295,000,000) of which One Hundred Thirty-Eight Million, Five Hundred Thousand Dollars (\$138,500,000) is allocated pursuant to Section 4(1) of the 2007 Act to the Department of Finance and Administration for the purpose of acquisition of equipment, and erection, construction and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvement, betterments and extraordinary repairs to existing structures (the “2007 Act Bonds”).

By memorandum dated August 7, 2020, the Commissioner of Finance and Administration has notified the Funding Board that Fifty Dollars (\$50) is available for the 2007 Act Bonds from funds not required for debt service and recommended that a like amount of the unissued 2007 Act Bonds be canceled.

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

1. The projects authorized to be financed by the 2007 Act Bonds have been financed in whole or in part with commercial paper and the commercial paper has been retired in whole or in part without the issuance of bonds and Fifty Dollars (\$50) is no longer needed to fund such authorized projects.
2. Fifty Dollars (\$50) 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 on the 2007 Act Bonds.
3. In accordance with authority provided by Tennessee Code Annotated Section 9-9-205 and 9-9-208, and memorandum from the Commissioner of Finance and Administration dated August 7, 2020, the Funding Board hereby cancels Fifty Dollars (\$50) of the principal amount authorized by the 2007 Act for the 2007 Act Bonds.
4. This resolution shall be effective as of August 28, 2020 and all resolutions in conflict herewith are hereby repealed.

Adopted by the Funding Board at its meeting on August 28, 2020.

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JUSTIN P. WILSON, SECRETARY  
TENNESSEE STATE FUNDING BOARD





STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
DIVISION OF STATE GOVERNMENT FINANCE

**August 5, 2020**

**City of Memphis**

The City of Memphis (the “City”) is requesting approval from the Tennessee State Funding Board (SFB) to issue general obligation bonds in a not-to-exceed principal amount of \$31 million to finance the remaining renovation costs to the Convention Center as well as certain additional costs in, and around, the Convention Center area. The City will apply surplus TDZ Revenues, 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”), to pay debt service on the Bonds, and in the event the City does not satisfy the requirements for the release of surplus TDZ Revenues from the Surplus Fund or surplus TDZ Revenues are insufficient to pay debt service on the Bonds, the City has agreed to pledge its full faith and credit and unlimited taxing power on all taxable property in the City to pay debt service on the Bonds. Request for approval from the State Funding Board is required by Public Chapter 816, Acts of 2018, which amended the 1998 Act.

***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:

Jim Strickland, Mayor  
125 N. Main Street, 7<sup>th</sup> FL  
Memphis, TN 38103  
(615) 636-6000

Shirley Ford, Chief Financial Officer  
125 N. Main Street, 3<sup>rd</sup> FL  
Memphis, TN 38103  
(615) 636-6374  
shirley.ford@memphistn.gov

**3) Type of Debt:**

General obligation bonds in the not-to-exceed amount of \$31 million

**4) Type of Security:**

Surplus TDZ revenues will be used to meet the debt service obligation on the bonds with a back-up pledge of the full faith and credit and unlimited taxing power on all taxable property in the City.

**5) The purpose of the proposed debt issuance is:**

☐ Refunding

☒ New Money; (renovation costs to the Convention Center as well as certain additional costs in, and around, the Convention Center area, as outlined in the request)

☐ Both

**6) Proposed Structure of the Debt:**

☒ Level Debt Service maturing 2021 through 2031

☐ Level Principal maturing \_\_\_\_\_ through \_\_\_\_\_

☐ Other maturing \_\_\_\_\_ through \_\_\_\_\_

**7) Method of Sale:**

☒ Competitive

☐ Negotiated

☐ Direct Placement

**8) Expected Sale Date of the Debt:** October 2020

**9) Binding Statements Present**

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

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

- Final apportionment and distribution – fiscal year 2031

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

- Authorizing Resolution approved by City Council on July 7, 2020

***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.

- Approved by the State Building Commission – May 22, 2018

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

x   Adopted Debt Authorizing Resolution

- Approved July 7, 2020

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

 n/a  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)

***C. Additional Documentation – Refunding Only***

 n/a  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 Division of Local Government Finance, if applicable



**JIM STRICKLAND**  
**MAYOR**

July 22, 2020

Ms. Sandra Thompson, Assistant Secretary  
State Funding Board  
Tennessee Comptroller of the Treasury  
Cordell Hull Building  
425 Fifth Avenue North, 4<sup>th</sup> Floor  
Nashville, TN 37243-3400

Re: Request for Approval of Proposed Debt to be paid from Surplus Tourism Development Zone Revenues

Dear Ms. Thompson:

Pursuant to Title 7, Chapter 88 of the Tennessee Code Annotated ("TCA"), the Convention Center and Tourism Development Financing Act of 1998, as amended, ("Financing Act"), the City of Memphis, Tennessee ("City") hereby submits this Request for Approval to the Tennessee State Funding Board ("SFB") to issue general obligation bonds to be paid from surplus Tourism Development Zone Revenues ("TDZ Revenues").

#### **Contact Information**

Jim Strickland, Mayor  
City of Memphis  
125 N. Main Street, 7<sup>th</sup> Floor  
Memphis, TN 38103  
(901) 636-6000

Shirley Ford, Chief Financial Officer  
City of Memphis  
125 N. Main Street, 3<sup>rd</sup> Floor  
Memphis, TN 38103  
(901) 636-6374  
shirley.ford@memphistn.gov

#### **Background**

Pursuant to the Financing Act, the City initially qualified the Memphis Cook Convention Center ("Convention Center") as a Qualified Public Use Facility ("QPUF") and commenced operations during the fiscal year ended June 30, 2001. The Convention Center is located in a tourism development zone in the downtown Memphis area ("Downtown TDZ") and has since been renamed the Renasant Convention Center as of November 21, 2019. Further, the Financing Act permits the State to approve additional QPUFs within the Downtown TDZ. In 2010, the State approved the addition of the Pyramid Arena and portions of the area adjacent to, and including, the Convention Center commonly known as the "Pinch District" ("Pinch Properties") as QPUFs.

In 2017, the City received approval from the State to refund the then outstanding Pyramid and Pinch District Redevelopment Project Revenue Bonds, Series 2011 and amend its debt service schedule. The Economic Development Growth Engine Industrial Development Board of the City of Memphis and County of Shelby, Tennessee issued on behalf of the City taxable and tax-exempt TDZ Revenue Refunding Bonds currently outstanding in the aggregate principal amount of \$132,050,000 ("Series 2017 Bonds"). Additionally, the State approved the deposit of excess TDZ Revenues (after payment of debt service on the Series 2017 Bonds) to a newly created "Surplus Fund" and expanded the use of funds to include: (i) certain reimbursements to the City for costs previously incurred by the City; and (ii) costs related to the Convention Center, the Pinch Properties, and any other Qualified Associated Development as authorized pursuant to the Financing Act. Prior to the use of the Surplus Funds, the City is required to satisfy certain debt service coverage tests related to all existing bonds and the issuance of future bonds.

### **Description of the Debt**

The City intends to issue general obligation bonds ("Bonds") in the not-to-exceed principal amount of \$31 million to finance the remaining renovation costs to the Convention Center as well as certain additional costs in, and around, the Convention Center area. The City will apply surplus TDZ Revenues to pay debt service on the Bonds, and in the event the City does not satisfy the requirements for the release of surplus TDZ Revenues from the Surplus Fund or surplus TDZ Revenues are insufficient to pay debt service on the Bonds, the City has agreed to pledge its full faith and credit and unlimited taxing power on all taxable property in the City to pay debt service on the Bonds. The Bonds will be structured to produce level debt service with a final maturity term in fiscal year 2031. The Bonds will be sold at competitive sale in September.

### **City Assertions and Binding Statements**

1. The City hereby asserts to use the proceeds of the Bonds for renovation costs to the Convention Center and certain additional costs constituting a QPUF in, and around, the Convention Center area in accordance with the requirements pursuant to the Financing Act.
2. The City hereby asserts that the final maturity on the Bonds shall not extend beyond the fiscal year of the final apportionment and distribution of state and local sales and use taxes derived from the Downtown TDZ, which occurs in fiscal year 2031.
3. The City hereby asserts if the City does not satisfy the requirements for the release of surplus TDZ Revenues from the Surplus Fund or surplus TDZ Revenues are insufficient to pay debt service on the Bonds, the City has agreed to pledge its full faith and credit and unlimited taxing power on all taxable property in the City to the repayment of the debt service on the Bonds pursuant to an Authorizing Resolution approved by City Council on July 7, 2020.
4. The City hereby confirms that the projects to be financed have been certified as a QPUF by the State of Tennessee Department of Finance and Administration, and as described in the minutes of the State Building Commission's Executive Subcommittee meeting held on May 22, 2018. See page 5 of Exhibit A. The City affirms that the projects financed by the original debt are still in service.

### **Requested Attachments**

The City has attached the following information as requested by the State which includes:

1. Pursuant to TCA, Section 7-88-109, a request submitted to the Commissioner of the Department of Finance and Administration dated July 13, 2020, to approve the debt amortization schedule for the financing, Appendix B;
2. An Authorizing Resolution approved by City Council on July 7, 2020, Appendix C; and
3. A draft Preliminary Official Statement approved by the City Council on July 7, 2020, Appendix D.


### **Legislative Review and Approval**

It is anticipated that the Bonds will sell in September 2020. The City respectfully requests an approval from the SFB by mid-September.

### **Summary**

The City appreciates the assistance provided by the SFB. If you have any questions or comments to the above Request for Approval or require additional information, please do not hesitate to contact Shirley Ford, Chief Financial Officer at (901) 636-6374 (T) or [shirley.ford@memphistn.gov](mailto:shirley.ford@memphistn.gov); or André D. Walker, Deputy Chief Financial Officer at (901) 636-6324 (T) or [andre.walker@memphistn.gov](mailto:andre.walker@memphistn.gov).

Sincerely,



Jim Strickland  
Mayor

Cc: Shirley Ford, Chief Financial Officer  
André D. Walker, Deputy Chief Financial Officer



August 24, 2020

Shirley Ford  
Chief Financial Officer  
Division of Finance  
City of Memphis  
125 North Main, Room 368  
Memphis, TN 38103-2038  
Via Email [Shirley.ford@memphistn.gov](mailto:Shirley.ford@memphistn.gov)

Andre' D. Walker  
Deputy Chief Financial Officer  
Division of Finance  
City of Memphis  
125 North Main, Room 368  
Memphis, TN 38103-2038  
Via Email [andre.walker@memphistn.gov](mailto:andre.walker@memphistn.gov)

RE: Memphis Tourism Development Zone – Amortization Schedule

Dear Ms. Ford,

You have submitted a proposed debt amortization schedule (the "Schedule") for bonds (the "Bonds") to be issued pursuant to the Convention Center and Tourism Development Financing Act of 1988, T.C.A. §§7-88-101-, et seq. (the "Act") by the City of Memphis (the "City"), i.e., General Obligation Bonds, Series 2020A. The Schedule is attached hereto as Exhibit "A".

We understand that you intend to use the bond proceeds of \$25,000,000 to complete the renovation of the Renasant Convention Center and \$5,000,000 for qualified associated development for supportive infrastructure projects within the Pinch District.

The Schedule shows the anticipated contribution to be made to the annual debt service for the Bonds from the apportionment of sales and use taxes pursuant to the Act and from all other sources. Accordingly, pursuant to §7-88-109 of the Act, the Schedule is approved. Please note that the City is a "Municipality" as defined by the Act, and, thus after the issuance of the Bonds the City is required to contribute each year thereafter an amount not less than the City's contribution to the annual debt service projected on the Schedule until the Bonds are either retired or a sufficient sinking fund has been established for their retirement. I would also note that the Bonds are General Obligation bonds and the City is pledging its full faith and credit as security in case there is a shortfall in the contribution to annual debt service for the Bonds from other sources and that this fact also played a role in the approval of the Schedule.

Sincerely,

A handwritten signature in blue ink that reads "Butch Eley". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Butch Eley, Commissioner  
Department of Finance and Administration

cc: Angela Scott  
Lucian Geise  
David Burn  
Sandi Thompson



# EXHIBIT A

**Appendix A - Proposed Series 2020A Amortization and Debt Service**  
**Tourism Development Zone**  
**City of Memphis - Downtown/Convention Center Zone**

Year	Historical Bond Payments <sup>(1)</sup>	Outstanding Debt Service Payments 2017A,B,C	Pledge from City <sup>(2)</sup>	Surplus Expenditures	Proposed Series 2020A Principal <sup>(3)</sup>	Proposed Series 2020A Interest <sup>(3)</sup>	Total Expenditures	TDZ Revenue <sup>(4)</sup>	Periodic Surplus(Deficit)	Cumulative Surplus(Deficit) <sup>(5)</sup>
1997	2,004,556						2,004,556		(2,004,556)	(2,004,556)
1998	2,583,103						2,583,103		(2,583,103)	(4,587,659)
1999	2,988,855						2,988,855		(2,988,855)	(7,576,514)
2000	5,123,669						5,123,669		(5,123,669)	(12,700,183)
2001	4,081,067						4,081,067		(4,081,067)	(16,781,250)
2002	5,478,343						5,478,343	3,617,750	(1,860,593)	(18,641,843)
2003	6,356,894						6,356,894	3,676,709	(2,680,185)	(21,322,028)
2004	6,428,062						6,428,062	3,439,872	(2,988,190)	(24,310,218)
2005	6,777,073						6,777,073	7,630,819	853,746	(23,456,472)
2006	5,897,111						5,897,111	7,976,136	2,079,025	(21,377,447)
2007	6,794,611						6,794,611	9,384,307	2,589,696	(18,787,751)
2008	6,903,871						6,903,871	10,141,097	3,237,226	(15,550,525)
2009	6,790,828						6,790,828	11,872,348	5,081,520	(10,469,005)
2010	7,166,344						7,166,344	15,522,631	8,356,287	(2,112,718)
2011	7,241,108			3,464,909			10,706,017	12,821,734	2,115,717	2,999
2012	3,836,306						3,836,306	13,982,713	10,146,407	10,149,406
2013	5,576,992			1,714,012			7,291,004	13,292,045	6,001,041	16,150,447
2014	8,736,962			12,000,000			20,736,962	14,392,385	(6,344,577)	9,805,870
2015	16,700,614						16,700,614	13,128,063	(3,572,551)	6,233,319
2016	16,800,586			4,269,307			21,069,893	20,512,327	(557,566)	5,675,753
2017	16,904,036						16,904,036	22,349,269	5,445,233	11,120,986
2018	15,559,152			382,385			15,941,537	21,189,724	5,248,187	16,369,173
2019	15,557,592			3,793,098			19,350,690	20,563,706	1,213,016	17,582,189
2020	15,557,211			3,121,258			18,678,469	20,589,941	1,911,472	19,493,660
2021		14,604,928	951,866			742,714	16,299,508	16,471,953	172,445	19,666,105
2022		14,601,375	956,796		1,940,000	1,178,000	18,676,171	16,471,953	(2,204,218)	17,461,887
2023		15,561,568			2,040,000	1,078,500	18,680,068	20,589,941	1,909,873	19,371,760
2024		15,561,649			2,145,000	973,875	18,680,524	20,589,941	1,909,417	21,281,177
2025		15,556,667			2,250,000	864,000	18,670,667	20,589,941	1,919,274	23,200,451
2026		15,557,750			2,370,000	748,500	18,676,250	20,589,941	1,913,691	25,114,142
2027		15,556,625			2,490,000	627,000	18,673,625	20,589,941	1,916,316	27,030,458
2028		15,559,375			2,615,000	499,375	18,673,750	20,589,941	1,916,191	28,946,649
2029		15,559,375			2,750,000	365,250	18,674,625	20,589,941	1,915,316	30,861,965
2030		15,560,000			2,890,000	224,250	18,674,250	20,589,941	1,915,691	32,777,656
2031		15,559,500			3,040,000	76,000	18,675,500	20,589,941	1,914,441	34,692,097
	\$ 197,844,946	\$ 169,238,813	\$ 1,908,662	\$ 28,744,969	\$ 24,530,000	\$ 7,377,464	\$ 429,644,854	\$ 464,336,950	\$ 34,692,097	\$ 193,309,978

Note: Amounts may not add due to rounding.

<sup>(1)</sup> Prior debt service includes bonds issued by Shelby County, City of Memphis and Memphis Center City Revenue Finance Corporation.

<sup>(2)</sup> Represents scheduled reimbursements to the City which have been approved by the State to be paid from TDZ Revenues for various amounts contributed by the City to fund certain improvements to the Convention Center.

<sup>(3)</sup> Preliminary principal amortization schedule; however the total principal will not exceed \$31 million. Interest is based on a original premium structure and current market conditions. Subject to change.

<sup>(4)</sup> The TDZ Revenues for FY 2021 will be received in late September 2020 (FY 2021). The amount of the FY 2021 TDZ Revenues are unknown and therefore, the City has assumed the TDZ Revenues are approximately 80% of the FY 2020 amounts or ~\$16.47M due to the unknown impacts of COVID-19 during April 2020-June 2020. Similarly, the City assumed the FY 2022 amount would remain the same as FY 2021 at \$16.47M and future TDZ Revenues for FY 2023 through FY 2031 will resume back to previous levels at \$20.58M.