



JASON E. MUMPOWER  
*Comptroller*

**TENNESSEE STATE FUNDING BOARD  
DECEMBER 14, 2023  
AGENDA**

1. Call meeting to order, establish that there is a physical quorum, and receive public comments on actionable items in accordance with 2023 Public Chapter 300 and Board guidelines
2. Consideration for approval of minutes from the November 6 and 29, 2023, meetings
3. Report from the Department of Economic and Community Development for approval of funding for the following FastTrack projects:
  - **TBA**  
FastTrack Economic Development Grant \$1,500,000
  - **Axle Logistics, LLC and Blue Print Property Group II, LLC – Knoxville (Knox County)**  
FastTrack Economic Development Grant \$5,000,000
  - **Florim USA, Inc. – Clarksville (Montgomery County)**  
FastTrack Economic Development Grant \$1,000,000
  - **Vonore Fiber Products, LLC – Vonore (Monroe County)**  
FastTrack Economic Development Grant \$2,250,000
  - **TBA**  
FastTrack Economic Development Grant \$ 900,000
4. Acknowledgement of a scrivener’s error on the “Resolution Certifying and Authorizing the Allocation of Funds to the Sinking Fund for the 2023-2024 Fiscal Year” approved at the June 27, 2023, meeting
5. Presentation on the Economic Development Growth Engine Industrial Development Board of Memphis and Shelby County, Tennessee (EDGE) - Graceland Project  
Mr. James McLaren, Counsel, Adams and Reese
6. Adjourn

**TENNESSEE STATE FUNDING BOARD**  
**November 6, 2023**

The Tennessee State Funding Board (the “Board”) met on Monday, November 6, 2023, at 1:30 p.m., CT in the Volunteer Conference Center, 2<sup>nd</sup> Floor, Cordell Hull Building, Nashville, Tennessee. The Honorable Jason Mumpower, Comptroller of the Treasury, was present and presided over the meeting.

The following members were also present:

The Honorable Tre Hargett, Secretary of the State of Tennessee  
The Honorable David Lillard, State Treasurer  
Commissioner Jim Bryson, Department of Finance and Administration

The following member was absent:

The Honorable Bill Lee, Governor

Seeing a physical quorum present, Comptroller Mumpower called the meeting to order. Comptroller Mumpower, in accordance with Public Chapter 300 and Board guidelines, asked Ms. Sandra Thompson, Assistant Secretary to the Board and Director of the Division of State Government Finance (“SGF”), if any requests for public comment had been received. Ms. Thompson responded that no requests had been received.

Comptroller Mumpower then stated that the first item on the agenda was consideration and approval of the minutes from the meeting held on October 9, 2023. Commissioner Bryson made a motion to approve the minutes, and Treasurer Lillard seconded the motion. The minutes were unanimously approved.

Comptroller Mumpower then recognized Mr. Stuart McWhorter, Commissioner of the Tennessee Department of Economic and Community Development (“ECD”), to present FastTrack projects for consideration and Ms. Jessica Johnson, Assistant Commissioner of Administration and Operations, ECD, to present the “FastTrack Report to State Funding Board” (the “Report”). Ms. Johnson reported that, as of the date of the October 9, 2023, Board meeting, the FastTrack balance was \$678,118,019.36. Since that time, \$12,400.00 in new appropriations had been added, comprised of a global adjustment for technology and computer related expenses; \$3,919,916.56 in funds had been deobligated; \$992,200.00 in new grants or loans less than \$750,000.00 had been approved; and \$1,263,936.95 in funds had been spent on FastTrack administrative expenses, which resulted in an adjusted FastTrack balance available for funding grants and loans of \$679,794,198.97 as of the date of the Report. Ms. Johnson reported that total commitments had been made in the amount of \$558,125,094.30, resulting in an uncommitted FastTrack balance of \$121,669,104.67. Ms. Johnson reported that the amount of proposed grants for projects to be considered at this meeting totaled \$8,700,000.00, and if these projects were approved, the uncommitted balance would be \$112,969,104.67, for a total committed balance of \$566,825,094.30, which represented 83.4% of the FastTrack balance.

Commissioner McWhorter then presented the following FastTrack projects:

- **Malibu Boats, LLC and Cobalt Boats, LLC – Lenoir City (Roane County)**  
FastTrack Economic Development Grant \$ 7,700,000.00
  
- **August Bioservices, LLC – Nashville (Davidson County)**  
FastTrack Economic Development Grant \$ 1,000,000.00

Secretary Hargett made a motion to approve the projects, and Treasurer Lillard seconded the motion. The Board member packets included letters and FastTrack checklists signed by Commissioner McWhorter, and incentive acceptance forms signed by company representatives. Comptroller Mumpower inquired if the companies that had signed the incentive acceptance forms fully understood the agreements, and Commissioner McWhorter responded affirmatively. Comptroller Mumpower then inquired if checklists had been completed for each project, and Commissioner McWhorter responded affirmatively. Comptroller Mumpower then inquired if all the projects included accountability agreements which would provide protections for the state in the event the entity could not fulfill the agreement, and Commissioner McWhorter responded affirmatively. Hearing no other discussion, Comptroller Mumpower took the vote, and the motion was unanimously approved.

Comptroller Mumpower then, without objection, took up item number eight on the agenda and recognized Ms. Thompson to present a Declaration of Trust for Other Post Employment Benefits (“OPEB trust”) for West Knox Utility District for consideration and approval. Ms. Thompson stated that SGF was presented with an OPEB trust for the West Knox Utility District, which was subsequently submitted to the Attorney General’s Office for review. Ms. Thompson then stated that both offices had reviewed the OPEB trust for the criteria that are required to be included under state law. Ms. Thompson further stated that the OPEB trust had met all the criteria, and that staff recommended approval. Secretary Hargett made a motion to approve the OPEB trust. Treasurer Lillard seconded the motion, and it was unanimously approved.

The Board then heard testimony and reports regarding the economy from the following presenters: Ms. Laurel Graefe of the Federal Reserve Bank of Atlanta; Dr. Don Bruce of the University of Tennessee Boyd Center for Business and Economic Research; Dr. Jon Smith, Dr. Joseph Newhard, and Dr. Fred Makara of East Tennessee State University; Commissioner David Gerregano and Mr. Jeff Bjarke of the Tennessee Department of Revenue; and Mr. Bojan Savic and Mr. Joe Wegenka of the legislative Fiscal Review Committee (FRC) of the State of Tennessee (the “State”). Pursuant to Tennessee Code Annotated Section 9-4-5202(e), the Board is charged with the responsibility of developing estimates of state revenue growth. In doing so, the Board evaluates and interprets economic data and revenue forecasts provided by various economists as well as persons acquainted with the Tennessee revenue system.

The presenters forecasted economic growth and state tax revenue growth that reflect little to no growth in both the current fiscal year and into the next fiscal year. Factors cited to support the little to no growth in the current and next years included Federal Reserve action on interest rates, continued aftereffects from inflationary price increases, lagging labor force participation rates in Tennessee, and lessened consumer demand as excess savings were depleted. Those factors increased downside risk to both economic and state tax revenue growth.

Comptroller Mumpower then called for presentations regarding the Tennessee Education Lottery Corporation (TELC) from Mr. Savic and Mr. Wegenka; and Ms. Rebecca Paul, President and CEO, and Mr. Andy Davis, Chief Financial Officer, from the TELC. Legislation in 2003 created the TELC (Tennessee Code Annotated Sections 4-51-101 et seq.). Pursuant to Tennessee Code Annotated Section 4-51-111(c), the Board is required to establish a projected revenue range for the “Net Lottery Proceeds” [defined in Section 4-51-102(14)] for the remainder of the current fiscal year and for the next four (4) succeeding fiscal years.

The presenters reported on historical results and growth reported in previous years for the various instant and numbers games, and Powerball and Mega Millions jackpot games, of the Tennessee Lottery program.

The presenters also summarized recent changes for TELC and reported on year-to-date revenue and expenses for fiscal year 2023-2024.

Tennessee Code Annotated Section 4-51-111(c)(2)(A)(ii) requires the Board, with the assistance of the Tennessee Student Assistance Corporation (TSAC), to project long-term funding needs of the lottery scholarship and grant programs. These projections are necessary to determine if adjustments to lottery scholarship and grant programs are needed to prevent the funding for these programs from exceeding Net Lottery Proceeds. For this purpose, the Board heard testimony from Mr. Tim Phelps, Senior Director for Grants and Scholarship Programs of TSAC, who reported the projected expenditures in lottery scholarship and grant programs through fiscal year 2027-2028. The lottery-funded scholarship programs as authorized through the 2023 session of the General Assembly included the HOPE Scholarship, General Assembly Merit Scholarship, ASPIRE Award, HOPE Access Grant, Wilder-Naifeh Technical Skills Grant, HOPE Scholarship for Non-traditional Students, Dual Enrollment Grant, Helping Heroes Grant, Foster Child Tuition Grant, STEP UP Scholarship, TCAT Reconnect Grant, the Tennessee Middle College Scholarship, and Tennessee Reconnect Grant.

Comptroller Mumpower then recognized Ms. Mary Beth Thomas, Executive Director of the Tennessee Sports Wagering Council (the "SWC"), for a presentation on sports wagering revenue estimates. Ms. Thomas' presentation discussed mobile sports wagering, licensed sports books in the state, new player accounts, total wager estimates, and sports betting revenue estimates for the State. Ms. Thomas noted the following:

- Sports wagering was legalized by the Tennessee General Assembly in 2019 and was initially regulated by the TELC. The SWC was created by the legislature in 2021 and assumed regulatory authority in January 2022.
- The SWC is responsible for regulating online sports wagering and fantasy sports wagering in the state, including annual vetting/licensing of sportsbooks and fantasy sports operators, and the registering of vendors that provide services to the online sport books. The SWC is also responsible for compliance functions throughout the year.
- There were currently 13 licensed online sportsbooks operating in the state that had received close to ten billion dollars in wagers as of the end of September 2023.
- Sports betting is legal in some capacity in 35 U.S. states and the District of Columbia. Of those, 25 states and the District of Columbia have legal mobile betting. Only two states, Tennessee and Wyoming, have only mobile sports betting.
- The SWC found it difficult to compare how sports wagering taxes are generated and collected from state to state due to the vast differences in betting structures across the different states. Due to this, the SWC decided not to present on revenue trends from elsewhere or on a national level.
- The SWC discussed the growth of sports betting noting that the number of licensed sportsbooks was seven at the end of fiscal year 2021, twelve at the end of fiscal year 2022, twelve at the end of fiscal year 2023, and was estimated to stay at an average of twelve licensed sportsbooks annually for the near future.
- Newly created player accounts with licensed sportsbooks numbered approximately 443,329 in 2021, 656,147 in 2022, and 656,451 through October 26, 2023, equaling an annualized number of 787,741 new accounts created.
- The SWC is responsible for collecting privilege taxes from the sportsbooks each month and in doing so receives wagering data on a daily basis that is utilized for compliance purposes.
- The total wagers, excluding subtractions for winning payouts, brought in by sportsbooks increased by 145% between FY2021 and FY2022, by 14% between FY2022 and FY2023, and is estimated to increase by 8% this fiscal year over last fiscal year. The SWC assumed a conservative growth rate of 3-5% in total wagers moving forward.

- The SWC was starting to see a decrease in border activity with residents of bordering states traveling into Tennessee to place wagers as border states started legalizing sports betting. Kentucky legalized sports betting the prior month and North Carolina had legalized online sports betting that would become operational in 2024. The SWC used a conservative growth estimate in part due to the loss of border activity in the future.
- In the last legislative session, the legislature adopted a privilege tax on handles of 1.85%. Prior to the legislation going into effect in July 2023, the state taxed net gaming revenue at 20% and required sportsbooks to generate 10% net gaming revenue through a hold or be subject to a \$25,000 fine or suspended. In the calendar years of 2021 and 2022 only one operator met the hold requirement and multiple operators had a negative net gaming revenue resulting in no taxable revenue. The hold was removed with the legislation as accounting data indicated that it was creating less favorable odds and bet types for players.
- Total Privilege Tax collections amounted to \$24,502,000 in FY2021, \$46,328,006 in FY2022, \$82,139,820 in FY2023, and the SWC estimated collections in the amount of \$78,791,221 for FY2024, \$82,717,610 in FY2025, and \$86,853,491 for FY2026.
- The privilege tax collections were distributed to the Lottery for Education account (80%), general fund (15%) for counties and local governments, and to the Department of Mental Health (5%) for responsible gaming initiatives. The SWC operations funding did not come from the privilege tax but from licensure fees.

Comptroller Mumpower then inquired about the SWC's player base compared to the player base for the lottery. Ms. Thomas responded that the player base was different. Ms. Thomas then stated that sports betting involved more skill than instant games or lottery games, which are pure games of chance. Ms. Thomas further stated that studies had shown that the SWC's demographic was mostly males aged twenty-four to thirty-five with a many being professionals and college graduates. Comptroller Mumpower then asked if the SWC thought that their primary users were more focused, consistent regular players as opposed to more one-off users. Ms. Thomas responded in the affirmative.

Secretary Hargett then asked if there was any data on how many unique online sportsbooks users there were in the state that comprised the approximately two million accounts within the state across the multiple sportsbooks. Ms. Thomas responded that the two million accounts were determined by the geolocation service by device-based tracking as opposed to username tracking which should eliminate duplication across the sportsbooks. Ms. Thomas further responded that there could be crossover with users who were utilizing multiple devices, but most people were just using their phones. Ms. Thomas then stated that the two million figure represented the number of unique devices used for sports wagering in the state. Secretary Hargett then asked if Ms. Thomas had any information on the toll-free REDLINE number that is advertised for gambling help. Ms. Thomas responded that the information for the REDLINE and the 1-800 GAMBLER national number tracked data, and that she would get that information for the Board.

Commissioner Bryson then confirmed that the two million unique devices had to be located in Tennessee. Commissioner Bryson then commented that he got the sense that sports wagering was growing rapidly but the SWC projections didn't show rapid growth. Secretary Hargett then asked if Ms. Thomas had heard of any potential legislation or those in the industry that were pursuing future legislation to allow physical betting locations. Ms. Thomas responded that she had not heard of any possible legislation. Ms. Thomas further responded that mobile betting was more accessible than betting in person. No further action was necessary.

Comptroller Mumpower then presented a request from the Department of Education for \$23,000 from Net Lottery Proceeds for Lottery Scholarship Day for fiscal year 2024-2025, pursuant to Tennessee Code Annotated Section 4-51-111(c)(2)(B). The requested funds will support improvements and enhancements

for educational programs and purposes and such net proceeds shall be used to supplement, not supplant, non-lottery educational resources for educational programs and purposes. The Board acknowledged the request from the Department of Education. No further action was necessary.

After requesting other business and hearing none, Comptroller Mumpower called to recess the meeting and stated that the Board would reconvene on November 29, 2023, at 2:00 p.m., CT in the Cordell Hull Building, 2<sup>nd</sup> Floor, Volunteer Conference Center.

**RECONVENED**  
**November 29, 2023**  
**2:00 p.m.**

The Board reconvened on Wednesday, November 29, 2023, at 2:00 p.m., CT in the Cordell Hull Building, 2<sup>nd</sup> Floor, Volunteer Conference Center, Nashville, Tennessee. The Honorable Jason Mumpower, Comptroller of the Treasury, was present and presided over the meeting.

The following members were also present:

The Honorable Tre Hargett, Secretary of the State of Tennessee  
The Honorable David Lillard, State Treasurer  
Commissioner Jim Bryson, Department of Finance and Administration

The following member was absent:

The Honorable Bill Lee, Governor

Seeing a quorum present, Comptroller Mumpower called the meeting to order. Comptroller Mumpower, in accordance with Public Chapter 300 and Board guidelines, asked Ms. Sandra Thompson, Assistant Secretary to the Board and Director of the Division of State Government Finance (“SGF”), if any requests for public comment had been received. Ms. Thompson responded that no requests had been received.

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

	<u>FY 2023–2024</u>		<u>FY 2024–2025</u>	
	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>
Total State Taxes	-0.69%	-0.19%	0.13%	1.13%
General Fund	-0.50%	0.00%	-0.50%	0.50%

Comptroller Mumpower then asked for any additional insights from the staff discussions of the revenue growth rate ranges. Mr. Thurman responded that it was striking for economists and forecasters to think of this as a negative growth period, and staff took that to heart while determining their recommendation. Mr. Thurman also stated that franchise and excise taxes were currently a challenge with significant refunds occurring as opposed to letting those dollars carry forward. Mr. Thurman then stated that it appeared from the economist projections that revenue growth rates were starting to normalize. Comptroller Mumpower made a motion to approve the state revenue estimates as recommended by staff. Commissioner Bryson seconded the motion.

Comptroller Mumpower then stated that he believed the state economy was very strong. Comptroller Mumpower further stated that the state population increased by 83,000 last year and the state was experiencing record low unemployment. Comptroller Mumpower then observed that even with the growth projections, collections were still as much as 40% greater than prior to the pandemic. Comptroller Mumpower then stated that he thought it was prudent that there be solid conservative growth estimates given the posture of returning to normal growth conditions. Comptroller Mumpower then commended Governor Bill Lee, Commissioner Bryson, Mr. Thurman, and the members of the Tennessee General Assembly for preparing for the current monetary situation by utilizing recurring dollars for non-recurring expenses over the last few years. Observing no further comments, Comptroller Mumpower took the vote, and the motion was unanimously approved.

Mr. Thurman then presented the staff recommendations of the estimates of the growth rate ranges for Net Lottery Proceeds to be deposited in the Lottery for Education Account and used for various statutory purposes.

	<u>FY 2023-2024</u>	<u>FY 2024-2025</u>	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>	<u>FY 2027-2028</u>
Low	-0.50%	0.00%	1.00%	1.00%	1.00%
High	0.00%	1.00%	2.00%	2.00%	2.00%

Comptroller Mumpower made a motion to approve the lottery revenue estimates as recommended by staff and Mr. Lillard seconded the motion. Comptroller Mumpower then asked for any additional insights from the staff discussions of the net lottery proceeds growth rate ranges. Mr. Thurman noted that the low negative growth rate estimates for fiscal year 2023-2024 was based on the presenters' discussions of lower lottery proceeds due to the large Powerball jackpots a year ago driving greater collections than this fiscal year. Mr. Thurman then stated that the growth estimates for years further out were difficult to estimate. Mr. Thurman then noted the impact that sports wagering would have on lottery collections and stated that staff wanted to be conservative on growth estimates until more data from those collections had been gathered. Comptroller Mumpower took the vote, and the motion was unanimously approved.

Pursuant to Tennessee Code Annotated 4-51-111(a)(3), the TELC may make a determination that returning a specific percentage of sales as net proceeds (35%) would not result in the maximum dollar amount of net proceeds being achieved. Comptroller Mumpower acknowledged receipt of a letter from TELC notifying the Board that TELC had determined that an amount that maximizes net lottery proceeds to the State of Tennessee Lottery for Education Account is less than 35% of lottery proceeds for fiscal year 2023-2024. The amount currently projected for the fiscal year ranges from \$480 million to \$488 million. The Board acknowledged the letter. No further action was necessary.

Comptroller Mumpower then recognized Ms. Thompson to present for consideration for approval an amendment to the financial advisor contract with PFM Financial Advisors, LLC ("PFM"). Ms. Thompson stated that a final version of the amendment ("Amendment Two") to the financial advisory contract with PFM was provided to the Board members in their packets. Ms. Thompson then stated that the original financial advisor services contract was for three years and allowed for two one-year extensions. Ms. Thompson further stated that the first one-year extension will expire at the end of the current year and that Amendment Two would extend the contract one additional year, from January 1, 2024, through December 31, 2024. Ms. Thompson then stated that staff had a good relationship with PFM and the services provided by them had been exemplary. Ms. Thompson then stated that it was staff's recommendation to the Board to approve the amendment to extend the term of the contract for one year. Mr. Bryson made a motion to approve the amendment. Mr. Hargett seconded the motion, and it was unanimously approved.

Comptroller Mumpower then recognized Mr. Charly Lyons, President and Chief Executive Officer of the Tennessee Central Economic Authority (the “Authority”) and Ms. Kelsey Dansby, Executive Administrator from the Authority, and Ms. Amanda Sexton, Project Manager for the Authority, who presented a report on the Authority operations over the past year. The report was provided to the Board members in their meeting packets. Mr. Lyons explained that the Authority is an economic development organization that operates in the counties of Macon, Smith, Sumner, Trousdale, and Wilson. Mr. Lyons then stated that he had been with the Authority for eleven years and during that time the Authority had been conservative in budgeting, leading to revenue exceeding budgeted amounts and expenses being less than budgeted in each year. Mr. Lyons further stated that the Authority aimed to build up a reserve for their operations. Commissioner Bryson commented that the Authority had a significant capital improvements fund and asked the Authority about future plans in that area. Mr. Lyons replied that the Authority owns a four-hundred fifty (450) acre industrial park, and the primary use of the funds was for infrastructure in that area. Mr. Lyons further replied that the Authority is responsible for roads, waterlines, and sewer lines within the park. Mr. Lyons stated some old buildings had also been renovated on the site. Mr. Lyons then stated that the Authority had a capital improvements budget for the park, a grants budget for the five counties, and a general budget for operational expenses of the office. The Board acknowledged the report. No further action was necessary.

Comptroller Mumpower then recognized Mr. Ed Harries, Executive Director, and Ms. Danielle Brown, Controller, from the Tennessee State Veterans’ Home Board (the “TSVHB”), who presented a report on TSVHB operations. The Board had received a financial report in their packet for the period July 1, 2023, through October 31, 2023. Mr. Harries reported that from the beginning of fiscal year 2024 through September 30, 2023, the TSVHB had a year-to-date loss of approximately \$1,200,000. Mr. Harries further reported that the budgeted loss for the period was \$775,000 and that the primary reason for the loss was start-up costs and delays in opening the new Cleveland facility. Mr. Harries then stated that the Cleveland facility recently received Centers for Medicare and Medicaid Services (“CMS”) certification and would now be able to bill Medicare and Medicaid. Mr. Harries further stated that the Cleveland facility currently housed eight residents and was working toward admitting twenty residents. Mr. Harries then stated that the Cleveland facility would receive Veteran Affairs (“VA”) recognition in January 2024 and be able to start the acceptance of VA funds. Mr. Harries then reported that the TSVHB was dealing with inflationary costs especially in terms of agency nurses and construction costs. Mr. Harries further reported that eliminating agency nursing costs would be immense in changing TSVHBs profit stance as, depending on the position, the costs were one and half to two and a half the costs of internal employees. Mr. Harries noted that agency nurses were still being utilized in three facilities.

Mr. Harries then reported on the average daily occupancy rates and construction status of the TSVHB facilities. Mr. Harries noted that all the facilities, except Cleveland, had occupancy rates exceeding the state norm with 70% and greater occupancy rates. Mr. Harries further noted that the Clarksville facility was at 100% occupancy, and TSVHB might need to look at facility expansion in the future due to the demand in that area. Mr. Harries then reported that Arlington-Shelby County facility was under construction with a substantial completion date of winter of 2025 due to construction delays. Mr. Harries also noted that a Sullivan County facility was in the early preliminary planning stages and a site had not yet been selected or state and local matching funds received.

Mr. Harries then reported on the findings of the financial audit, performance audit, and regulatory compliance for the TSVHB facilities. Mr. Harries noted that the financial audit covering fiscal year 2022 had a single finding that had already been addressed. Mr. Harries stated that on November 29, 2022, the performance audit was issued with four findings and that processes were now in place to ensure that there are no repeat findings. Mr. Harries then reported on the CMS star ratings for the facilities noting that the Knoxville home was rated at 5-stars and the Murfreesboro, Clarksville, and Humboldt homes rated at 3-stars. Mr. Harries further noted that the Humboldt CMS rating dropped from a 4-star level to a 3-star level



due to staffing reductions made for financial efficiency. Mr. Harries stated that it was anticipated that the home would be getting the star back soon.

Commissioner Bryson then asked how the Cleveland facility coming fully online would affect TSVHB's financial position considering they were currently at a \$1.2,000,000 loss and whether the TSVHB was having to utilize reserves. Mr. Harries responded in the affirmative that reserves were being utilized but the balance of reserves was back to pre-COVID levels. Ms. Brown then responded that \$1,000,000 had been moved to the reserve for expenses related to the Cleveland home prior to the pandemic, of which \$650,000 had been used. Ms. Brown continued that a request would be made for the remaining funds held for Cleveland in the reserve and currently the funds being utilized were operating funds. Ms. Brown then stated that part of the process of building a home was the feasibility study so the first year of operations of the Cleveland facility would be at a break-even point. Ms. Brown further stated that the problem had been construction delays that had pushed the opening of the facility back from the initial 2021-time frame. Ms. Brown further stated that she did not anticipate having to use more than the designated funds for the Cleveland home. Ms. Brown then stated that once the VA survey recognition was obtained by the Cleveland facility, it would run at the break-even point. Commissioner Bryson then asked how the TSVHB would get back to break-even for the entire system. Mr. Harries responded that the two key targets were the census and getting agency costs under control. Comptroller Mumpower then asked why the Cleveland and Clarksville facilities were running a similar deficit even though the Clarksville facility had a much greater number of residents. Mr. Harries responded that the VA code at the time of construction of the Clarksville facility required the homes to be constructed with 12 beds as opposed to the Cleveland facilities homes with 18beds. Mr. Harries further responded that the staffing requirements were the same for each home whether 12 or 18 beds, which resulted in decreased labor costs with the 18 bed homes and makes them more profitable. Mr. Harries then stated that the TSVHB, with increased reimbursement rates and monitoring expenses tightly, may be able to get the Clarksville facility to break-even or be profitable. The Board acknowledged the report. No further action was necessary.

Comptroller Mumpower then recognized Mr. Markus Klar, Director of Fixed Income from the Tennessee Treasury Department ("Treasury"), who presented a report on the State Pooled Investment Fund ("SPIF") and Intermediate Term Investment Fund ("ITIF") for the fiscal year ended June 30, 2023.

Mr. Klar made initial comments on the current market and Federal Reserve Board (the "Fed") policy. Mr. Klar noted the following:

- The last two years had seen the greatest interest rate hike cycle in the previous four decades.
- Fiscal year 2023 started with a Fed Funds Rate of 1.75% and ended with a rate of 5.25%, an increase of 350 basis points during the year. The 5.25% rate matched the highest rate seen since just prior to the great recession.
- Three weeks following the end of fiscal year 2023 the Fed hiked the Fed Funds Rate another 25 basis points to 5.50%.
- The economy didn't react as many market participants had anticipated. The unemployment rate began and ended at 3.60% for fiscal year 2023.
- The Average Gross Domestic Product (GDP) growth was 2.40% for fiscal year 2023.
- Consumer spending was very resilient throughout the fiscal year and housing prices also did not show a meaningful reaction to increased mortgage rates, but sales did slow.
- The Consumer Price Index (CPI) began fiscal year 2023 around 9% and finished the fiscal year around 3%. The Fed target was approximately 2%.
- There were multiple bank failures in March of 2023, but the Fed instituted an emergency credit program for the banks to solve the issue.

- Consumer spending finally started to slow over the past few months following the end of fiscal year 2023 indicating that the market was starting to react when it had not during the fiscal year.

Mr. Klar then presented a report on the annual investment activity of the SPIF for fiscal year 2023. Mr. Klar noted the following:

- The return on the SPIF for fiscal year 2023 was 3.74% after expenses, which was 3 basis points greater than the SPIF benchmark (30-day U.S. Treasury Bill). The return was substantially higher than the 21 basis point increase during fiscal year 2022.
- The SPIF maintained a monthly average fund size of \$31,300,000 of invested assets for fiscal year 2023. The SPIF can be subdivided into three separate components, the general fund, the Local Government Investment Pool (“LGIP”), and other state funds that are restricted. The general fund increased in size from approximately \$20,000,000,000 to approximately \$24,000,000,000 during the fiscal year, for a growth of approximately 20%. The LGIP increased from approximately \$5,900,000,000 to \$6,600,000,000, for a growth of approximately 12%, and the restricted funds increased from approximately \$3,250,000,000 to approximately \$4,500,000,000, for a growth of approximately 38%.
- The portfolio composition of the SPIF changed over the course of the fiscal year moving from approximately 75% allocation to U.S. Agencies and Treasuries to approximately 86% allocation to the two components. The growth in the allocation to those components came at the expense of investments in commercial paper. The rising interest rates during the fiscal year led to excess demand for short-term instruments while the market was readjusting, driving down yield premiums on commercial paper. In addition, Treasury also reduced the amount of commercial paper in the portfolio due to multiple issuers on Treasury’s approved list not being in the market for commercial paper.
- The portfolio composition of collateralized CDs increased from 0.69% to 1.70% as banks have started to look for funding from the state again. The allocation was still low but trending upward.
- The weighted average maturity (the “WAM”) of the SPIF had a range of around 40 to 50 days throughout fiscal year 2023 with an average of approximately 46 days, below the maximum of 60 days as set by the Government Accounting Standards Board (“GASB”) Statement 79.
- The weighted average life (the “WAL”) of the SPIF for fiscal year 2023 was very similar to the WAM. The only difference in the calculation of the WAL from the WAM is the treatment of floating rate securities. The WAM considers the floating rate security’s term to be the reset time for the interest rate while the measure of WAL considers the security’s term to be the time until the instrument matures, and you receive your money back. The SPIF’s portfolio had a low allocation in floating rate securities resulting in the curves for WAM and WAL looking very similar for fiscal year 2023.
- There were two measures of the liquidity of the SPIF, the daily liquidity and the weekly liquidity. The daily liquidity was around 30% during much of fiscal year 2023 with a spike starting around March of 2023 and daily liquidity ending the fiscal year at approximately 70%. Following the bank failures in March of 2023, the Federal Home Loan Banks (the “FHLBs”) entered the market, raising a significant amount of funds to ensure enough liquidity was available. The FHLBs then held the funds after the Fed’s actions to remedy the situation, reducing their needs to raise funds in the following months. Due to this, the spread on FHLB commercial paper was negative and unattractive for Treasury investment. As an alternative, Treasury invested more in U.S. Treasury Bills which are considered to be daily liquidity under GASB Statement 79 regardless of the term. The weekly liquidity was at least 60% for much of fiscal year 2023. The minimum standards for daily liquidity and weekly liquidity, as determined by GASB Statement 79 are 10% and 30% respectively.

Mr. Klar then presented a report on the annual investment activity of the ITIF for fiscal year 2023. Mr. Klar noted the following:

- The ITIF was intended to be a longer-term investment alternative to the SPIF for funds.
- The ITIF covered the same asset sectors of the market as the SPIF with the only difference being the ability to invest further out on the yield curve, up to three years in duration.
- Due to the a longer investment duration, the ITIF struggled with investment return more than the SPIF during fiscal year 2023 with the rising interest rate environment.
- The approximate average duration of the fund was about 2.5 years for the ITIF or the fiscal year.
- The return on the ITIF for fiscal year 2023 was two basis points, considerably less than the SPIF due to the investment duration but outperforming a suitable benchmark, the Vanguard Short-term Federal Portfolio, by 95.5 basis points.
- The asset allocation for the ITIF remained unchanged from fiscal year 2022 with 44% in U.S. Treasury Bills and 56% allocated to Agency paper.
- There were no inflows to the ITIF in fiscal year 2023 and one significant outflow just before the end of the fiscal year. The sole remaining participant in the ITIF withdrew all of their funds from the ITIF, leaving no assets in the fund at fiscal year-end.

The Board acknowledged the report. No further action was necessary.

After Comptroller Mumpower requested other business and heard none, he made a motion to adjourn the meeting, and Secretary Hargett seconded the motion. The motion was unanimously approved, and the meeting was adjourned.

Approved this \_\_\_\_\_ day of \_\_\_\_\_ 2023.

Respectfully submitted,

Sandra Thompson  
Assistant Secretary

## FastTrack Report to State Funding Board

12/11/2023

1. Previous FastTrack Balance, as of Last Report	679,794,198.97	
2. + New Appropriations:	0.00	
3. + Newly Deobligated Funds:	1,486,856.14	
4. + Funds Transferred to FastTrack:	0.00	
5. - Funds Transferred from FastTrack:	0.00	
6. - FastTrack Grants or Loans Approved Greater Than \$750,000:	(6,000,000.00)	
7. - FastTrack Grants or Loans Approved Less Than \$750,000:	(593,928.00)	
8. - FastTrack Administration	(316,786.75)	
9. Adjusted FastTrack Balance Available for Funding FastTrack Grants or Loans:		674,370,340.36

10. Total Amount of Commitments:	529,916,619.55	
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11. Uncommitted FastTrack:		144,453,720.81
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12. Percentage Committed:		78.6%
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13. Amount of Proposed Grants or Loans:	10,650,000.00	
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14. Uncommitted FastTrack Balance if Proposed Grants or Loans Approved:		133,803,720.81
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15. Percentage Committed:		80.2%
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See next page for explanations of the above questions.

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



Date: 12-11-23

Commissioner of Economic and Community Development



## Department of Economic and Community Development

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Stuart McWhorter  
Commissioner

Bill Lee  
Governor

December 14, 2023

Comptroller Jason Mumpower  
First Floor, State Capitol  
Nashville, TN 37243

Dear Comptroller Mumpower:

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. **Custom Foods of America Inc. – Knoxville (Knox County)**

Founded in 1982, Custom Foods of America Inc. (CFA) is a Tennessee-based manufacturer and supplier of food products such as soups, side dishes, appetizers and sauces. Today, the company serves its customers in the restaurant and convenience store industries from its sole location in Knoxville, Tennessee.

CFA will expand their Pleasant Ridge location in Knox County, which will bring the company's total headcount in the region to approximately 500 people. The expansion will increase CFA's production and distribution capabilities by adding nearly 200,000 square feet of new space for manufacturing, storage, staging, and shipping.

Custom Foods of America Inc. has committed to create 249 net new jobs and make a \$51,039,000 capital investment within 5 years. The company will have an average hourly wage of \$20.90 for the new positions.

FastTrack Job Economic Development Grant Funds will help offset expenses such as building retrofit, building expansion, building improvements, and new building construction. **(\$1,500,000)**





## Department of Economic and Community Development

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Stuart McWhorter  
Commissioner

Bill Lee  
Governor

**Total FastTrack funds for this project - \$1,500,000**

### **2. Axle Logistics, LLC and Blue Print Property Group II, LLC – Knoxville (Knox County)**

Axle Logistics, LLC is a Tennessee-based, third-party logistics (3PL) company that serves an array of transportation customers across the U.S., Canada and Mexico. Today, the company is headquartered in Knoxville, Tennessee, with one satellite office in Chattanooga.

With this expansion, Axle Logistics will nearly triple its total headcount in Tennessee. As part of the project, the company will construct an 85,000-square-foot facility adjacent to its existing operations on North Central Street. The additional space and staff will allow Axle Logistics to better meet the ongoing growth it has experienced since its founding in 2012.

Axle Logistics, LLC and Blue Print Property Group II, LLC has committed to create 651 net new jobs and make a \$37,869,055 capital investment within 5 years. The company will have an average hourly wage of \$57.52 for the new positions.

FastTrack Job Economic Development Grant Funds will help offset expenses such as new building construction. **(\$5,000,000)**

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

### **3. Florim USA, Inc. – Clarksville (Montgomery County)**

Florim USA, a subsidiary of the Italian company, Florim Group, is one of the largest floor and wall porcelain tile manufacturing plants in North America. Produced for a variety of channels, Florim USA's tile is represented in over 2500 stores nationally. Mile<sup>®</sup>stone is the manufacturer's distributed brand.

The project includes an expansion of the company's current manufacturing facility over a period of three phases.

On September 22, 2021, Florim USA announced the first phase of the company's expansion project. At that time, Florim USA committed to create 35 net new jobs and make a \$36,000,000 capital investment to expand and increase all operations. The expansion included construction of a new administration building and showroom, and the addition of technologically advanced manufacturing



## Department of Economic and Community Development

Stuart McWhorter  
Commissioner

Bill Lee  
Governor

machinery to increase not only production capabilities, but also the range of product offerings, which allows for a 100 percent U.S.-manufactured product.

In 2022, as part of a second phase, Florim USA committed to create an additional 62 net new jobs and make an additional \$63,000,000 capital investment to further expand and increase all operations.

As part of a third phase, in 2023, Florim USA, Inc. has committed to create an additional 127 net new jobs for a total of 224 jobs and make an additional \$39,000,000 capital investment for a total of \$138,000,000 capital investment within 5 years. The company will have an average hourly wage of \$21.82 for the new positions.

FastTrack Job Economic Development Grant Funds will help offset expenses such as building retrofit, building expansion, and new building construction for a total of \$1,700,000. The Department of Economic and Community Development executed a FastTrack Economic Development Grant with a start date of February 1, 2021, to offset expenses such as building retrofit, building expansion, and new building construction in the amount of \$700,000. The current request is to increase the existing commitment in the form of a FastTrack Job Economic Development grant funds \$1,000,000. **(\$1,000,000)**

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

#### 4. **Vonore Fiber Products LLC – Vonore (Monroe County)**

Initially founded under the University of Tennessee System, Genera has grown to become North America's largest vertically integrated manufacturer of circular, compostable packaging solutions for food and consumer products, retail, and food service. Genera's products are made from locally grown regenerative grasses, offering consumers sustainable alternatives to plastics with direct benefits to local farms and communities and a significantly lower carbon impact. Genera is headquartered in Vonore, Tennessee, with an innovation center in Houston, Texas.

Genera operates two key facilities in Vonore, TN. The two facilities are co-located in the Niles Ferry Industrial Park and include the company's Vonore, TN, Fiber Products Mill and its Biomass Innovation Park research campus.

The expansion adds 150,000 square feet to the existing facility and state-of-the-art equipment, including more than 60 robotically controlled thermoforming machines, a fleet of autonomously guided vehicles and automated packaging lines.



## Department of Economic and Community Development

Stuart McWhorter  
Commissioner

Bill Lee  
Governor

Vonore Fiber Products LLC has committed to create 231 net new jobs and make a \$346,000,000 capital investment within 5 years. The company will have an average hourly wage of \$30.69 for the new positions.

FastTrack Job Economic Development Grant Funds will help offset expenses such as building retrofit, building expansion, building improvements, new building construction and acquisition of real property. **(\$2,250,000)**

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

### 5. **NewBasis, LLC – Lebanon (Wilson County)**

Founded more than 80 years ago, NewBasis is a leading manufacturer of fiberglass and polymer concrete pads and below ground enclosures. Today, NewBasis serves a variety of municipalities and customers in the construction and utility industries.

Located in the Alligood Industrial Park, NewBasis' Lebanon facility will be the company's first location outside of its headquarters in California and will directly support its increased customer demand across the East Coast

NewBasis, LLC has committed to create 249 net new jobs and make a \$16,287,000 capital investment within 5 years. The company will have an average hourly wage of \$21.96 for the new positions.

FastTrack Job Economic Development Grant Funds will help offset expenses such as building retrofit, building expansion, building improvements, and fixture improvements. **(\$900,000)**

**Total FastTrack funds for this project - \$900,000**

Sincerely,

A handwritten signature in blue ink that reads "Stuart McWhorter".

Stuart McWhorter

SM/js



### State Funding Board FastTrack Checklist

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

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

TYPE OF FUNDING	RECIPIENT ENTITY	GRANT AMOUNT	LOAN AMOUNT
INFRASTRUCTURE			
TRAINING*			
ECONOMIC DEVELOPMENT	Industrial Development Board of the County of Knox	\$1,500,000	
TOTAL		\$1,500,000	

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

\*ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity): Custom Foods of America 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

12-11-23  
\_\_\_\_\_  
Date



Department of Economic and Community Development

Stuart McWhorter  
Commissioner

Bill Lee  
Governor

February 17, 2023

**INCENTIVE ACCEPTANCE FORM**

This form serves as notice that Custom Foods of America Inc. intends, in good faith, to create 249 private sector jobs in Knoxville, Knox County and make a capital investment of \$51,039,000 in exchange for incentives that will be memorialized in a grant agreement between Custom Foods of America Inc. and the State of Tennessee. New jobs must be in addition to the company's baseline of 228 jobs at the project site in Tennessee.

**ECD OFFER SUMMARY**

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

Please sign your name in the space below to signify Custom Foods of America Inc.'s acceptance of ECD's offer set forth above and return it by May 18, 2023 to:

Tennessee Department of Economic and Community Development  
Attn: Allyson Crystal  
312 Rosa Parks Avenue, 27th Floor  
Nashville, TN 37243  
Allyson.Crystal@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: *M. C. [Signature]*  
(Authorized Representative of Company)

Date: 03-03-2023





## Department of Economic and Community Development

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Stuart McWhorter  
Commissioner

Bill Lee  
Governor

December 14, 2023

Comptroller Jason Mumpower  
First Floor, State Capitol  
Nashville, TN 37243

Dear Comptroller Mumpower:

Pursuant to Tennessee Code Annotated §4-3-717 (d)(1)-(2), I am writing to inform you that the Department of Economic and Community Development is awarding a FastTrack Economic Development Grant to the Industrial Development Board of the County of Knox for the benefit of Custom Foods of America Inc. in the amount of \$1,500,000 to offset the costs Custom Foods of America Inc. will incur in building retrofit, building expansion, building improvements, and new building 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. Custom Foods of America Inc. has committed to create 249 net new jobs and make a \$51,039,000 capital investment within 5 years. The company will have an average hourly wage of \$20.90 for the new positions. This project will have an exceptional impact.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stuart McWhorter", is written over a light blue circular stamp.

Stuart McWhorter

SM/js

### State Funding Board FastTrack Checklist

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

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

TYPE OF FUNDING	RECIPIENT ENTITY	GRANT AMOUNT	LOAN AMOUNT
INFRASTRUCTURE			
TRAINING*			
ECONOMIC DEVELOPMENT	Industrial Development Board of the County of Knox	\$5,000,000	
TOTAL		\$5,000,000	

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

**\*ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity):** Axle Logistics, LLC and Blue Print Property Group II, LLC

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

**GENERAL STATUTORY COMPLIANCE**

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

**Identify which of the following apply:**

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

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

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

**TRAINING**

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

**INFRASTRUCTURE**

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

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

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

**ECONOMIC DEVELOPMENT**

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

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

  
\_\_\_\_\_  
Commissioner of Economic and Community Development

12-11-23  
\_\_\_\_\_  
Date





Department of Economic and Community Development

Stuart McWhorter  
Commissioner

Bill Lee  
Governor

October 3, 2023

**INCENTIVE ACCEPTANCE FORM**

This form serves as notice that Axle Logistics, LLC intends, in good faith, to create 651 private sector jobs in Knoxville, Knox County and make a capital investment of \$37,869,055 in exchange for incentives that will be memorialized in a grant agreement between Axle Logistics, LLC and the State of Tennessee. New jobs must be in addition to the company's baseline of 353 jobs at the project site in Tennessee.

**ECD OFFER SUMMARY**

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

Please sign your name in the space below to signify Axle Logistics, LLC's acceptance of ECD's offer set forth above and return it by January 1, 2024 to:

Tennessee Department of Economic and Community Development  
Attn: Allyson Crystal  
312 Rosa Parks Avenue, 27th Floor  
Nashville, TN 37243  
Allyson.Crystal@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: Tree Markham Director of Facilities  
(Authorized Representative of Company)

Date: 10/26/2023



## Department of Economic and Community Development

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Stuart McWhorter  
Commissioner

Bill Lee  
Governor

December 14, 2023

Comptroller Jason Mumpower  
First Floor, State Capitol  
Nashville, TN 37243

Dear Comptroller Mumpower:

Pursuant to Tennessee Code Annotated §4-3-717 (d)(1)-(2), I am writing to inform you that the Department of Economic and Community Development is awarding a FastTrack Economic Development Grant to the Industrial Development Board of the County of Knox for the benefit of Axle Logistics, LLC and Blue Print Property Group II, LLC in the amount of \$5,000,000 to offset the costs Axle Logistics, LLC and Blue Print Property Group II, LLC will incur in new building 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. Axle Logistics, LLC and Blue Print Property Group II, LLC has committed to create 651 net new jobs and make a \$37,869,055 capital investment within 5 years. The company will have an average hourly wage of \$57.52 for the new positions. This project will have an exceptional impact.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stuart McWhorter", is written over a light blue circular stamp.

Stuart McWhorter

SM/js



## State Funding Board FastTrack Checklist

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

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

TYPE OF FUNDING	RECIPIENT ENTITY	GRANT AMOUNT	LOAN AMOUNT
INFRASTRUCTURE			
TRAINING*			
ECONOMIC DEVELOPMENT	<b>Clarksville-Montgomery County Industrial Development Board</b>	<b>\$1,000,000</b>	
<b>TOTAL</b>		<b>\$1,000,000</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): **Florim USA, Inc.**

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

### GENERAL STATUTORY COMPLIANCE

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

Identify which of the following apply:

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

Applicant must answer "Yes" to a or b.

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

**TRAINING**

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

**INFRASTRUCTURE**

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

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

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

**ECONOMIC DEVELOPMENT**

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

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

  
\_\_\_\_\_  
Commissioner of Economic and Community Development

12-11-23  
\_\_\_\_\_  
Date



## Department of Economic and Community Development

Stuart McWhorter  
Commissioner

Bill Lee  
Governor

August 25, 2023

### INCENTIVE ACCEPTANCE FORM

This form serves as notice that Florim USA, Inc. intends, in good faith, to create 224 private sector jobs in Clarksville, Montgomery County and make a capital investment of \$138,000,000 in exchange for incentives that will be memorialized in a grant agreement between Florim USA, Inc. and the State of Tennessee. New jobs must be in addition to the company's baseline of 251 jobs at the project site in Tennessee.

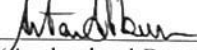
#### ECD OFFER SUMMARY

FastTrack Economic Development Grant:	\$ 1,700,000
<b>Total ECD Commitment:</b>	<b>\$ 1,700,000</b>

Please sign your name in the space below to signify Florim USA, Inc.'s acceptance of ECD's offer set forth above and return it by November 23, 2023 to:

Tennessee Department of Economic and Community Development  
Attn: Allyson Crystal  
312 Rosa Parks Avenue, 27th Floor  
Nashville, TN 37243  
Allyson.Crystal@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: 08.30.2023





## Department of Economic and Community Development

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Stuart McWhorter  
Commissioner

Bill Lee  
Governor

December 14, 2023

Comptroller Jason Mumpower  
First Floor, State Capitol  
Nashville, TN 37243

Dear Comptroller Mumpower:

Pursuant to Tennessee Code Annotated §4-3-717 (d)(1)-(2), I am writing to inform you that the Department of Economic and Community Development is awarding a FastTrack Economic Development Grant to the Clarksville-Montgomery County Industrial Development Board for the benefit of Florim USA, Inc. in the amount of \$1,000,000 to offset the costs Florim USA, Inc. will incur in building retrofit, building expansion, and new building construction. The Department of Economic and Community Development executed a FastTrack Economic Development Grant with a start date of February 1, 2021, in the amount of \$700,000, which would increase the Economic Grant funds to a total of \$1,700,000. 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 significant capital investment. As part of a third phase, Florim USA, Inc. has committed to create an additional 127 net new jobs for a total of 224 jobs and make an additional \$39,000,000 capital investment for a total of \$138,000,000 capital investment within 5 years. The company will have an average hourly wage of \$21.82 for the new positions. This project will have an exceptional impact.

Sincerely,

A handwritten signature in blue ink that reads "Stuart McWhorter".

Stuart McWhorter

SM/js

## State Funding Board FastTrack Checklist

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

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

TYPE OF FUNDING	RECIPIENT ENTITY	GRANT AMOUNT	LOAN AMOUNT
INFRASTRUCTURE			
TRAINING*			
ECONOMIC DEVELOPMENT	<b>Monroe County Government</b>	<b>\$2,250,000</b>	
<b>TOTAL</b>		<b>\$2,250,000</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): Vonore Fiber Products LLC**

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

### GENERAL STATUTORY COMPLIANCE

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

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

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

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

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

**TRAINING**

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

**INFRASTRUCTURE**

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

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

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

**ECONOMIC DEVELOPMENT**

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

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

  
\_\_\_\_\_  
Commissioner of Economic and Community Development

12-11-23  
\_\_\_\_\_  
Date



Department of Economic and Community Development

Stuart McWhorter  
Commissioner

Bill Lee  
Governor

September 15, 2023

**INCENTIVE ACCEPTANCE FORM**

This form serves as notice that Vonore Fiber Products LLC intends, in good faith, to create 231 private sector jobs in Vonore, Monroe County and make a capital investment of \$346,000,000 in exchange for incentives that will be memorialized in a grant agreement between Vonore Fiber Products LLC and the State of Tennessee. New jobs must be in addition to the company's baseline of 65 jobs at the project site in Tennessee.

**ECD OFFER SUMMARY**

FastTrack Economic Development Grant:	\$ 2,250,000
<b>Total ECD Commitment:</b>	<b>\$ 2,250,000</b>

Please sign your name in the space below to signify Vonore Fiber Products LLC's acceptance of ECD's offer set forth above and return it by December 14, 2023 to:

Tennessee Department of Economic and Community Development  
Attn: Allyson Crystal  
312 Rosa Parks Avenue, 27th Floor  
Nashville, TN 37243  
Allyson.Crystal@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: 9/21/23



## Department of Economic and Community Development

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Stuart McWhorter  
Commissioner

Bill Lee  
Governor

December 14, 2023

Comptroller Jason Mumpower  
First Floor, State Capitol  
Nashville, TN 37243

Dear Comptroller Mumpower:

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 Monroe County Government for the benefit of Vonore Fiber Products LLC in the amount of \$2,250,000 to offset the costs Vonore Fiber Products LLC will incur in building retrofit, building expansion, building improvements, new building construction and acquisition of real property. The project activities would not be eligible for the FastTrack Infrastructure Development Program.

This project will yield a proportionately significant impact on this rural community due to the number of high wage jobs and significant capital investment. Vonore Fiber Products LLC has committed to create 231 net new jobs and make a \$346,000,000 capital investment within 5 years. The company will have an average hourly wage of \$30.69 for the new positions. This project will have an exceptional impact.

Sincerely,

A handwritten signature in blue ink that reads "Stuart McWhorter".

Stuart McWhorter

SM/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	\$900,000	
TOTAL		\$900,000	

(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): NewBasis, LLC

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

### GENERAL STATUTORY COMPLIANCE

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

### Identify which of the following apply:

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

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

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

**TRAINING**

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

**INFRASTRUCTURE**

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

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

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

**ECONOMIC DEVELOPMENT**

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

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

  
\_\_\_\_\_  
Commissioner of Economic and Community Development

12-11-23  
\_\_\_\_\_  
Date



## Department of Economic and Community Development

Stuart McWhorter  
Commissioner

Bill Lee  
Governor

October 16, 2023

### INCENTIVE ACCEPTANCE FORM

This form serves as notice that NewBasis, LLC intends, in good faith, to create 249 private sector jobs in Lebanon, Wilson County and make a capital investment of \$16,287,000 in exchange for incentives that will be memorialized in a grant agreement between NewBasis, LLC 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:	\$ 900,000
<b>Total ECD Commitment:</b>	<b>\$ 900,000</b>

Please sign your name in the space below to signify NewBasis, LLC's acceptance of ECD's offer set forth above and return it by January 14, 2024 to:

Tennessee Department of Economic and Community Development  
Attn: Allyson Crystal  
312 Rosa Parks Avenue, 27th Floor  
Nashville, TN 37243  
Allyson.Crystal@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: Tony Helf  
(Authorized Representative of Company)

Date: 11/1/23





## Department of Economic and Community Development

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Stuart McWhorter  
Commissioner

Bill Lee  
Governor

December 14, 2023

Comptroller Jason Mumpower  
First Floor, State Capitol  
Nashville, TN 37243

Dear Comptroller Mumpower:

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 NewBasis, LLC in the amount of \$900,000 to offset the costs NewBasis, LLC will incur in building retrofit, building expansion, building improvements, and fixture improvements. The project activities would not be eligible for the FastTrack Infrastructure Development Program.

This project will yield a proportionately significant impact on this community due to the number of jobs. NewBasis, LLC has committed to create 249 net new jobs and make a \$16,287,000 capital investment within 5 years. The company will have an average hourly wage of \$21.96 for the new positions. This project will have an exceptional impact.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stuart McWhorter", is written over a light blue horizontal line.

Stuart McWhorter

SM/js

**RESOLUTION CERTIFYING AND AUTHORIZING THE ALLOCATION OF FUNDS TO THE SINKING FUND FOR THE 2023-2024 FISCAL YEAR**

**Recitals**

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

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

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

Section 1, Title III-31, Public Acts of Tennessee, 2023, (the “2023 Appropriations Act”) appropriates the aggregate sum of Three Hundred Forty-Two Million, One Hundred One Thousand Dollars (\$342,101,000) for debt service expenses and amortization of authorized and unissued bonds for the 2023-2024 fiscal year. Section 1, Title III-33 of the 2023 Appropriations Act, appropriates to the Sinking Fund such amount of the excise tax receipts as determined by the State Funding Board.

The Commissioner of Finance and Administration recommended by memorandum dated June 6, 2023, that the State Funding Board allocate Three Hundred Eighty-Two Million, Three Hundred Thousand Dollars (\$382,300,000) in pledged tax revenues. Further, he recommended the following specific dollar allocation of taxes for the payment of debt service on general obligation debt of the State of Tennessee:

<b><u>TAX OR FEE</u></b>	<b><u>AMOUNT</u></b>	<b><u>BASIS OF ALLOCATION</u></b>
Franchise Tax	\$ 18,000,000	Equal monthly
Excise Tax	<del>\$176,000,000</del> 176,100,000	Equal monthly
Gasoline Tax	\$ 83,800,000	Equal monthly
Motor Vehicle Title Fees	\$ 2,700,000	Equal monthly

Further, he recommended a monthly allocation totaling One Hundred One Million, Seven Hundred Thousand Dollars (\$101,700,000) of Sales Tax revenues [which is the estimated allocation of the net receipts of State Sales Tax pursuant to Tenn Code Ann. Section 67-6-103]. These recommendations assume (i) utilization of Sports Authority Revenue in the amount of Three Million, Three Hundred Thirty Thousand Dollars (\$3,330,000) and Other Revenues (College and Universities and State Veterans’ Homes) in the amount of Four Million, Four Hundred Thirty-One Thousand Dollars (\$4,431,000), and (ii) an adjusted balance at June 30, 2024 of negative Forty-Seven Million, Nine Hundred Sixty Thousand Dollars (\$-47,960,000), for an aggregate sum of Three Hundred Eighty-Two Million, Three Hundred Thousand Dollars (\$382,300,000).


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

1. It is hereby certified to the Commissioner of Finance and Administration that the following sums shall be allocated to the Sinking Fund for debt retirement for the 2023-2024 fiscal year:

<b><u>SOURCE, TAX OR FEE</u></b>	<b><u>AMOUNT</u></b>	<b><u>BASIS OF ALLOCATION</u></b>
Franchise Tax	\$ 18,000,000	Equal Monthly
Excise Tax	\$ 176,100,000	Equal Monthly
Gasoline Tax	\$ 83,800,000	Equal Monthly
Motor Vehicle Title Fees	\$ 2,700,000	Equal Monthly
Sales Tax (estimated Tenn Code Ann. Allocation)	\$ 101,700,000	Monthly

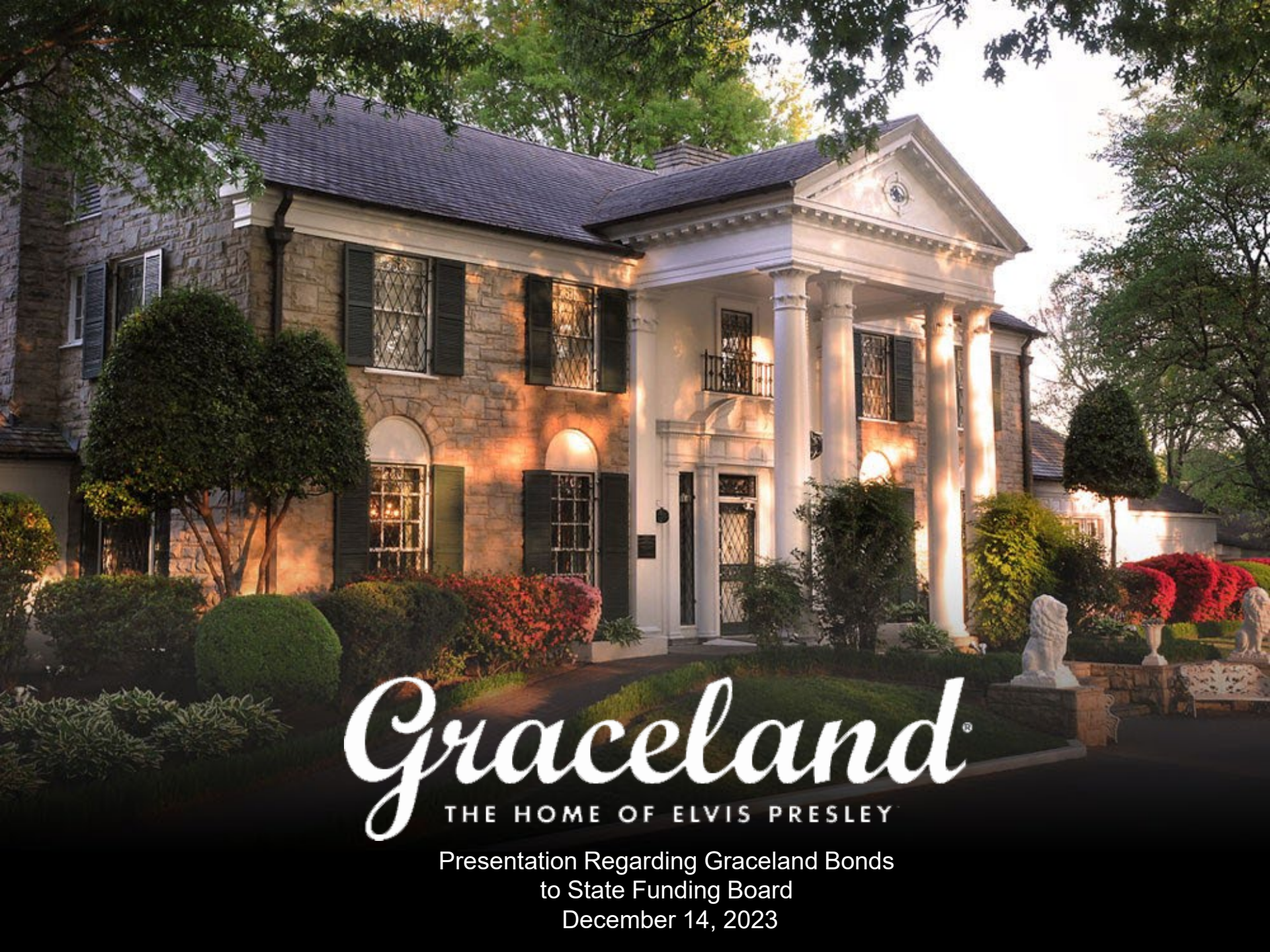
2. This resolution shall be effective as of July 1, 2023, and all resolutions in conflict herewith are hereby repealed.

Adopted by the Funding Board at its meeting on June 27, 2023.



JASON E. MUMPOWER, SECRETARY  
TENNESSEE STATE FUNDING BOARD





# Graceland<sup>®</sup>

THE HOME OF ELVIS PRESLEY

Presentation Regarding Graceland Bonds  
to State Funding Board  
December 14, 2023



# Graceland Campus (pre-development)





# Redeveloped Graceland Campus



**Graceland**  
THE HOME OF ELVIS PRESLEY™

OAG | Shopping Centers

**GTG** 

HNS&AK BOBO GROUP

**ECONOMIC DEVELOPMENT GROWTH ENGINE INDUSTRIAL DEVELOPMENT  
BOARD OF THE CITY OF MEMPHIS AND COUNTY OF SHELBY, TENNESSEE**

\$40,490,000

Senior Tax Increment Revenue Bonds, Series  
2017A (Graceland Project) (Tax-Exempt)

\$24,430,000

Senior Tax Increment Revenue Bonds, Series  
2017B (Graceland Project) (Taxable)

\$24,375,000

Subordinate Tax Increment Revenue Bonds,  
Series 2017C (Graceland Project) (Taxable)

\$5,005,000

Subordinate Tax Increment Revenue Bonds,  
Series 2017D (Graceland Project) (Taxable)

\$10,000,000

Subordinate Tax Increment Revenue Bonds,  
Series 2017E (Graceland Project) Taxable



# Existing Payment Defaults

DESCRIPTION	DATE OF DEFAULT							TOTAL
	01/1/2021	07/1/2021	07/1/2021	01/1/2022	07/1/2022	01/1/2023	07/1/2023	
Series 2017A Monetary Defaults							\$720,000	\$720,000*
Series 2017B Monetary Defaults								\$0
Series 2017C Monetary Defaults			853,125	853,125	853,125	853,125		\$3,412,500
Series 2017 D Monetary Defaults			205,219	205,219	390,219	193,669	463,669	\$1,457,995
Series 2017E Monetary Defaults								\$0 **

\* A payment of interest in the amount of \$789,862.50 was paid on July 21, 2023 by the Trustee. An additional payment of interest in the amount of \$263,287.50 was paid by the Trustee on November 8, 2023 resulting payment in full of all interest due on the Series 2027A Bonds on July 1, 2023.

\*\* Series 2017E Bonds are held by Graceland entities that have deferred payment

# Existing Debt Service Reserve Fund Deficiencies

Description	Debt Service Reserve Requirement	Debt Service Reserve Fund Balance	Debt Service Reserve Deficiency
Series 2017A Debt Service Reserve Fund	\$1,406,445	\$38,925	\$1,367,520
Series 2017B Debt Service Reserve Fund	\$3,302,609	\$3,342,246	\$0
Series 2017C Debt Service Reserve Fund	\$1,218,750	\$749,237	\$469,513
Series 2017D Debt Service Reserve Fund	\$250,250	\$15,269	\$234,981
Series 2017E Debt Service Reserve Fund	\$500,000	\$0	\$500,000



# Graceland Visitation for January 1, 2019 through September 30, 2023

Year/Quarter	Attendance/Visitation Numbers for all Graceland Attractions	Average Daily Rate Charged for Hotel Occupancy	Hotel Occupancy
<b>2019</b>			
1 <sup>st</sup> Quarter	90,180	\$122.90	61.53%
2 <sup>nd</sup> Quarter	155,654	\$139.71	84.60%
3 <sup>rd</sup> Quarter	158,942	\$143.45	80.91%
4 <sup>th</sup> Quarter	123,065	\$130.52	72.37%
<b>2020</b>			
1 <sup>st</sup> Quarter	58,306	\$115.66	54.61%
2 <sup>nd</sup> Quarter	16,342	\$118.07	14.19%
3 <sup>rd</sup> Quarter	44,455	\$125.24	29.16%
4 <sup>th</sup> Quarter	39,079	\$116.59	31.05%
<b>2021</b>			
1 <sup>st</sup> Quarter	30,948	\$114.56	24.52%
2 <sup>nd</sup> Quarter	82,062	\$143.68	46.92%
3 <sup>rd</sup> Quarter	90,737	\$164.17	51.92%
4 <sup>th</sup> Quarter	68,961	\$151.41	54.50%
<b>2022</b>			
1 <sup>st</sup> Quarter	56,703	\$140.23	44.97%
2 <sup>nd</sup> Quarter	110,413	\$168.92	66.63%
3 <sup>rd</sup> Quarter	133,627	\$188.99	71.88%
4 <sup>th</sup> Quarter	113,764	\$176.32	70.3%
<b>2023</b>			
1 <sup>st</sup> Quarter	95,995	\$152.84	60.45%
2 <sup>nd</sup> Quarter	149,782	\$186.52	77.38%
3 <sup>rd</sup> Quarter	130,497	\$193.34	67.79%

# Graceland Surcharge Revenue 2019 and 2020

Year/Quarter	Month Collected	Tourism Surcharge Revenues	Year/Quarter	Month Collected	Tourism Surcharge Revenues
<b>2019</b>			<b>2020</b>		
1 <sup>st</sup> Quarter	January	\$171,031	1 <sup>st</sup> Quarter	January	\$192,003
	February	\$160,200		February	\$187,408
	March	\$330,374		March	\$140,256
	<b>Sub-total 1Q 2019</b>	<b>\$661,604</b>		<b>Sub-total 1Q 2020</b>	<b>\$519,667</b>
2 <sup>nd</sup> Quarter	April	\$343,229	2 <sup>nd</sup> Quarter	April	\$4,443
	May	\$363,494		May	\$32,611
	June	\$354,692		June	\$96,969
	<b>Sub-total 2Q 2019</b>	<b>\$1,061,416</b>		<b>Sub-total 2Q 2020</b>	<b>\$134,022</b>
3 <sup>rd</sup> Quarter	July	\$371,068	3 <sup>rd</sup> Quarter	July	\$123,988
	August	\$397,813		August	\$114,194
	September	\$355,940		September	\$106,997
	<b>Sub-total 3Q 2019</b>	<b>\$1,124,821</b>		<b>Sub-total 3Q 2020</b>	<b>\$345,179</b>
4 <sup>th</sup> Quarter	October	\$372,897	4 <sup>th</sup> Quarter	October	\$124,071
	November	\$249,248		November	\$118,003
	December	\$232,241		December	\$90,107
	<b>Sub-total 4Q 2019</b>	<b>\$854,386</b>		<b>Sub-total 4Q 2020</b>	<b>\$332,181</b>
	<b>TOTAL 2019</b>	<b>\$3,702,227</b>		<b>Total 2020</b>	<b>\$1,331,049</b>

# Graceland Surcharge Revenue 2021 and 2022

Year/Quarter	Month Collected	Tourism Surcharge Revenues	Year/Quarter	Month Collected	Tourism Surcharge Revenues
<b>2021</b>			<b>2022</b>		
1 <sup>st</sup> Quarter	January	\$60,504	1 <sup>st</sup> Quarter	January	\$97,013
	February	\$51,410		February	\$134,380
	March	\$146,551		March	\$290,708
	<b>Sub-total 1Q 2021</b>	<b>\$258,465</b>		<b>Sub-total 1Q 2022</b>	<b>\$522,102</b>
2 <sup>nd</sup> Quarter	April	\$171,052	2 <sup>nd</sup> Quarter	April	\$343,778
	May	\$217,437		May	\$373,030
	June	\$274,515		June	\$345,134
	<b>Sub-total 2Q 2021</b>	<b>\$663,004</b>		<b>Sub-total 2Q 2022</b>	<b>\$1,061,942</b>
3 <sup>rd</sup> Quarter	July	\$313,829	3 <sup>rd</sup> Quarter	July	\$423,441
	August	\$292,719		August	\$376,276
	September	\$231,636		September	\$394,860
	<b>Sub-total 3Q 2021</b>	<b>\$838,184</b>		<b>Sub-total 3Q 2022</b>	<b>\$1,194,577</b>
4 <sup>th</sup> Quarter	October	\$279,037	4 <sup>th</sup> Quarter	October	\$455,007
	November	\$210,684		November	\$324,376
	December	\$218,493		December	\$366,776
	<b>Sub-total 4Q 2021</b>	<b>\$708,214</b>		<b>Sub-total 4Q 2022</b>	<b>\$1,146,159</b>
	<b>TOTAL 2021</b>	<b>\$2,467,867</b>		<b>Total 2022</b>	<b>\$3,924,780</b>



# Graceland Surcharge Revenue 2023

Year/Quarter	Month Collected	Tourism Surcharge Revenues
<b>2023</b>		
1 <sup>st</sup> Quarter	January	\$203,856
	February	\$223,046
	March	\$421,401
	<b>Sub-total 1Q 2023</b>	<b>\$848,303</b>
2 <sup>nd</sup> Quarter	April	\$445,753
	May	\$467,687
	June	\$490,463
	<b>Sub-total 2Q 2023</b>	<b>\$1,403,904</b>
3 <sup>rd</sup> Quarter	July	\$435,788
	August	\$453,293
	September	\$262,015*
	<b>Sub-total 3Q 2023</b>	<b>\$1,151,097</b>
	<b>TOTAL 2023</b>	<b>\$3,403,304</b>

\* Surcharge payment from business not received prior to reporting date

# Graceland TDZ Revenue Collections for Fiscal Years ended June 30, 2020 through June 30, 2023

Fiscal Year	State TDZ Revenues	Local TDZ Revenues	Total TDZ Revenues
30-June-17	\$548,975	\$134,872	\$683,847
30-Jun-18	\$1,574,801	\$328,711	\$1,903,512
30-Jun-19	\$1,744,386	\$337,696	\$2,082,082
30-June 20	\$955,731	\$211,660	\$1,167,391
30-June-21	\$0	\$0	\$0
30-Jun-22	\$650,307	\$326,398	\$976,705
30-June-23	\$1,907,492	\$757,333	\$2,664,825

[1](#) It was discovered that the Shelby County Trustee did not deduct the school portion of the Local Option Sales Tax increment prior to the distribution to the Trustee for fiscal year 2020. Accordingly, the Local TDZ Revenues remitted to the Trustee were reduced by \$105,829.96 for fiscal year 2022.

# Adjusted Base Year TDZ Revenues for Fiscal Years ended June 30, 2017 through June 30, 2023

Fiscal Year Ending (June 30 <sup>th</sup> )	Adjusted Base Year TDZ	
	State	Local
2017	\$2,449,339.58	\$905,790.59
2018	\$2,502,022.72	\$964,035.18
2019	\$2,590,335.15	\$1,039,703.50
2020	\$2,572,778.06	\$1,196,843.23
2021	\$2,761,755.96	\$1,568,492.68
2022	\$3,028,659.85	\$827,966.50
2023	\$3,135,083.45	\$867,759.92

# Graceland TIF Revenues Collected for Fiscal Years ended June 30, 2020 through June 30, 2023

Tax Year	City TIF Revenues	County TIF Revenues	Total
2017	\$522,423	\$645,974	\$1,168,396
2018	\$514,163	\$697,675	\$1,211,837
2019	\$546,858	\$728,917	\$1,275,775
2020	\$581,725	\$775,557	\$1,357,282
2021	\$553,683	\$570,472	\$1,124,155
2022	\$296,792	\$589,940	\$886,732
2023	\$424,074	\$573,563	\$997,637



# Anticipated Incentive Revenues Available to Pay Debt Service Defaults in Fiscal Year Ended June 30, 2024

Description	2017A	2017B	2017C	2017D
Debt Service Reserve Deficiency	\$1,367,520	\$0	\$469,513	\$234,981
Aggregate Payment Defaults	\$720,000	\$0	\$3,412,500	\$1,412,500
Total needed to fund Reserves and cure Payment Defaults	\$2,087,520	\$0	\$3,882,013	\$1,647,481
January 1, 2024 and June 2024 Debt Service	\$2,837,275	\$1,671,000	\$1,706,250	\$250,250
Excess Revenues for Fiscal year ended June 30, 2024	\$825,187	\$2,921,943	\$1,215,693	\$0
Estimated Payment in Full of Defaults	July 1, 2026	N/A	January 1, 2027	July 1, 2029

- TDZ Revenues based on revenues for period ended June 30, 2023 of \$2,673,441
- Surcharge Revenues based on revenues for twelve months ended June 30, 2023 of \$4,592,943
- TIF Revenues of \$997,537 based on 2023 assessment and tax rate

# SOURCES

- *Source of Attendance and Hotel information – continuing disclosures filed on EMMA*
- *Source of Tax and Incentive Revenues continuing disclosures filed on EMMA*
- *Source of Distributions of TDZ Revenues and Base Assessments – Department of Revenue calculations*
- *Source of Existing Defaults – event based disclosures filed on EMMA*
- *Source of Debt Service Reserve Fund Requirements and Balances - Trustee*