



JASON E. MUMPOWER
Comptroller

**TENNESSEE STATE FUNDING BOARD
FEBRUARY 15, 2023
AGENDA**

1. Call meeting to order
2. Consideration for approval of minutes from the December 15, 2022, meeting
3. Report from the Department of Economic and Community Development for approval of funding for the following FastTrack projects:
 - **Tritium Technologies LLC – Lebanon (Wilson County)**
FastTrack Job Training Assistance Grant \$ 536,000
 - **Saxco International, LLC – Franklin (Williamson County)**
FastTrack Job Training Assistance Grant \$1,000,000
 - **In-N-Out Burgers, Inc – Franklin (Williamson County)**
FastTrack Economic Development Grant \$2,750,000
 - **SK Food Group, Inc. – Cleveland (Bradley County)**
FastTrack Economic Development Grant \$9,000,000
 - **Arrowhead Engineered Projects – Portland (Robertson County)**
FastTrack Job Training Assistance Grant \$1,500,000
 - **Summertown Metals, LLC – Hohenwald (Lewis County)**
FastTrack Economic Development Grant \$1,300,000
4. Report on Notice of Default of Conduit Financing Debt Obligation by the Industrial Development Board of the Metropolitan Government of Nashville and Davidson County, Tennessee
5. Report on Notice of Default by Economic Growth Engine Industrial Development Board of Memphis and Shelby County, Tennessee
6. Acknowledgement of receipt of the “State of Tennessee Cash Management Improvement Act Annual Report State Fiscal Year 2022”
7. Adjourn

TENNESSEE STATE FUNDING BOARD
December 15, 2022

The Tennessee State Funding Board (the “Board”) met on Thursday, December 15, 2022, at 10:00 a.m., in the Volunteer Conference Center, Cordell Hull Building, 2nd Floor, 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 State
Commissioner Jim Bryson, Department of Finance and Administration

The following members were absent:

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

Having established that a quorum was present, Mr. Mumpower called the meeting to order and presented the minutes from the meeting held on November 16, 2022, and reconvened on November 28, 2022, for consideration and approval. Mr. Hargett made a motion to approve the minutes, and Mr. Bryson seconded the motion. The motion was unanimously approved.

Mr. Mumpower then recognized Mr. Stuart McWhorter, Commissioner of the Tennessee Department of Economic and Community Development (“ECD”), to present FastTrack projects for consideration and Mr. Paul VanderMeer, Assistant Commissioner of Administration, ECD, to present the “FastTrack Report to State Funding Board” (the “Report”). Mr. VanderMeer reported that, as of the date of the November 28, 2022, Board meeting, the FastTrack balance was \$261,641,501.41. Since that time, \$575,650.00 in new grants and loans had been approved; and \$180,679.39 in funds had been spent on FastTrack administrative expenses, which resulted in an adjusted FastTrack balance available for funding grants and loans of \$260,885,172.02 as of the date of the Report. Mr. VanderMeer reported that total commitments had been made in the amount of \$229,155,856.39, resulting in an uncommitted FastTrack balance of \$31,729,315.63. Mr. VanderMeer reported that the amount of proposed grants for projects to be considered at this meeting totaled \$18,954,000.00, and if these projects were approved, the uncommitted balance would be \$12,775,315.63, for a total committed balance of \$248,109,856.39, which represented 95.1% of the FastTrack balance.

Mr. McWhorter then presented the following FastTrack projects:

- **Ultium Cells LLC – Spring Hill (Maury County)**
FastTrack Economic Development Grant \$18,000,000.00

- **HealthVerve Food Manufacturing USA, Inc. – Livingston (Overton County)**
FastTrack Job Training Assistance Grant \$ 954,000.00

The Board member packets included letters and FastTrack checklists signed by Commissioner McWhorter, and incentive acceptance forms signed by company representatives. Mr. Mumpower inquired if the companies that had signed the incentive acceptance forms fully understood the agreements, and Mr. McWhorter responded affirmatively. Mr. Mumpower then inquired if the checklists had been completed

for each project, and Mr. McWhorter responded affirmatively. Mr. 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 Mr. McWhorter responded affirmatively. Mr. Hargett then inquired about the total square footage of the facility in Spring Hill. Mr. McWhorter responded that the facility was 2.8 million square feet. Mr. Hargett made a motion to approve the projects. Mr. Bryson seconded the motion, and it was unanimously approved.

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

Approved on this _____ day of _____ 2023.

Respectfully submitted,

Sandra Thompson
Assistant Secretary

FastTrack Report to State Funding Board

2/9/2023

1. Previous FastTrack Balance, as of Last Report	260,885,172.02	
2. + New Appropriations:	5,143,185.44	
3. + Newly Deobligated Funds:	5,917,901.56	
4. + Funds Transferred to FastTrack:	0.00	
5. - Funds Transferred from FastTrack:	0.00	
6. - FastTrack Grants or Loans Approved Greater Than \$750,000:	(15,815,000.00)	
7. - FastTrack Grants or Loans Approved Less Than \$750,000:	(4,172,550.00)	
8. - FastTrack Administration	(215,615.61)	
9. Adjusted FastTrack Balance Available for Funding FastTrack Grants or Loans:		251,743,093.41

10. Total Amount of Commitments:	212,189,388.78	
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11. Uncommitted FastTrack:		39,553,704.63
12. Percentage Committed:		84.3%

13. Amount of Proposed Grants or Loans:	16,086,000.00	
14. Uncommitted FastTrack Balance if Proposed Grants or Loans Approved:		23,467,704.63
15. Percentage Committed:		90.7%

See next page for explanations of the above questions.

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



Commissioner of Economic and Community Development

Date: 2-9-23



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

February 15, 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. Tritium Technologies LLC – Lebanon (Wilson County)

Founded in 2001, Tritium designs and manufactures proprietary hardware and software to create advanced and reliable direct current fast chargers for electric vehicles. Tritium's compact and robust chargers are designed to look great on Main Street and thrive in harsh conditions, through technology engineered to be easy to install, own, and use. Tritium is focused on continuous innovation in support of our customers around the world.

Tritium's Tennessee factory will build the company's proprietary fast charger technology, including the company's award-winning RTM and highly scalable PKM150 fast chargers. The facility is expected to house up to six production lines and is expected to produce a total projected output of approximately 6,600 units for the calendar year 2023.

On February 8, 2022, Tritium Technologies LLC committed to create 510 net new jobs with an average hourly wage of \$24.93 and make a \$15,287,148 capital investment within five (5) years.

Tritium Technologies LLC has committed to create an additional 268 new full-time jobs above and beyond the originally committed 510 new jobs for a total of 778 net new full-time jobs and



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

make an additional \$9,726,852 capital investment for a total of \$25,014,000 capital investment within five (5) years. The company will have an average hourly wage of \$24.22 for the new positions.

February 23, 2022, the State Funding Board approved a FastTrack Job Training Assistance Program in the amount of \$1,020,000 to offset the costs Tritium Technologies LLC will incur in training the net new full-time employees.

Today, we are asking the State Funding Board permission to increase the existing \$1,020,000 FastTrack Job Training Assistance Program funds by \$536,000 to train the net new full-time employees, for a total of \$1,556,000. The current request is to increase the FastTrack Job Training Assistance Program funds by \$536,000. **(\$536,000)**

Total FastTrack funds for this project - \$536,000

2. Saxco International, LLC – Franklin (Williamson County)

Saxco International is the leading provider of packaging and printing solutions to the wine, beer, spirits and food industries. The company was founded more than eighty years ago, and while their operations have expanded globally, their mission remains the same: provide customers with best-in-class packaging solutions through an endless choice of products and safe, reliable operations.

Saxco will re-locate back-office and HQ operations out of California to capitalize on an increase in talent level, grow their presence in the Eastern portion of the United States, and to increase efficiency. A small percentage of existing Saxco employees will relocate to Tennessee.

Saxco International, LLC has committed to create 100 net new jobs and make a \$2,515,000 capital investment within five (5) years. The company will have an average hourly wage of \$42.11 for the new positions.

FastTrack Job Training Assistance Program funds will be used to train the net new full-time employees for a total of \$1,000,000. **(\$1,000,000)**

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

3. In-N-Out Burgers, Inc – Franklin (Williamson County)

California's first "drive-thru" hamburger stand, In-N-Out was founded in 1948 by Harry and Esther Snyder and is still owned and operated by the Snyder family. In-N-Out still makes its own 100% American beef patties from whole chucks, all burgers are made-to-order, French fries are made



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from fresh, whole potatoes hand-diced minutes before enjoyed, shakes are made with real ice cream, and nothing is ever frozen or microwaved.

Located off Interstate 65 in Franklin, In-N-Out will begin construction on its 100,000-square-foot office building by late 2024, with construction slated to be complete by 2026. The eastern territory office will house positions that support various business functions, from operations management to HR and IT. In-N-Out is recognized as a company that is committed to treating its associates like family.

In addition to the eastern territory office, In-N-Out plans to open future restaurants in the region, beginning with locations in and around Nashville by 2026. As of December 31, 2022, In-N-Out has 385 locations throughout California, Nevada, Arizona, Utah, Texas, Oregon and Colorado. The Tennessee restaurants will be In-N-Out's first establishments east of Texas.

In-N-Out Burgers, Inc has committed to create 277 net new jobs and make a \$125,500,000 capital investment within five (5) years. The company will have an average hourly wage of \$44.11 for the new positions.

FastTrack Economic Development Grant Funds will help offset expenses such as new building construction and fixture improvements for a total of \$2,750,000. **(\$2,750,000)**

Total FastTrack funds for this project - \$2,750,000

4. SK Food Group, Inc. – Cleveland (Bradley County)

Founded as a mobile catering business in 1942, SK Food Group is an Arizona-based premium custom foods manufacturer. Today, the company specializes in supplying sandwiches, wraps, snacks, flatbreads, burgers and other protein snacks for branding by corporate customers worldwide.

SK Food Group's new 525,000-square-foot manufacturing facility will support the company's growing consumer demand by utilizing state-of-the-art automated technology to assist with sandwich assembly and food handling.

Located on Lot 1 in the Spring Branch Industrial Park in Cleveland, construction will begin before the end of the year and is anticipated to reach completion in 2025.

SK Food Group, Inc. has committed to create 840 net new jobs and make a \$205,160,000 capital investment within five (5) years. The company will have an average hourly wage of \$23.50 for the new positions.



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FastTrack Economic Development Grant Funds will help offset expenses such as new building construction and acquisition of real property for a total of \$9,000,000. **(\$9,000,000)**

Total FastTrack funds for this project - \$9,000,000

5. Arrowhead Engineered Products – Portland (Robertson County)

Founded in 1985, Arrowhead Electrical Parts has become a worldwide distributor of non-discretionary, mission-critical aftermarket replacement parts. Arrowhead is trusted by over 50,000 dealers, distributors, repairs shops and small businesses to provide quality, fit and selection.

Arrowhead Engineered Products' newly constructed 540,000-square-foot warehouse and distribution facility will enable Arrowhead to serve its growing customer base more efficiently. The company will continue to ship products with affordable rates and speedy delivery within the company's North American fulfillment and distribution center network that consists of 22 locations.

Arrowhead Engineered Products has committed to create 414 net new jobs and make a \$19,479,800 capital investment within five (5) years. The company will have an average hourly wage of \$17.16 for the new positions.

FastTrack Job Training Assistance Program funds will be used to train the net new full-time employees for a total of \$1,500,000. **(\$1,500,000)**

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

6. Summertown Metals, LLC – Hohenwald (Lewis County)

Founded in Summertown in 2006, Summertown Metals, LLC is a Tennessee-based company that has expanded from a single building materials supplier into a quality, custom building materials distributor.

With existing operations in Summertown, Summertown Metals will expand by constructing a new facility in the Lewis County Industrial Park, which will house its headquarters and additional manufacturing and distribution operations.

By adding the Hohenwald location, Summertown Metals will be able to grow its manufacturing and product offerings to include the building and distribution of wood and steel trusses as well as garage door production and installation. Construction began in the fall of 2022 and is anticipated to be complete in the first quarter of 2023.



Department of Economic and Community Development

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Summertown Metals, LLC has committed to create 197 net new jobs and make a \$10,976,000 capital investment within five (5) years. The company will have an average hourly wage of \$29.87 for the new positions.

FastTrack Economic Development Grant Funds will help offset expenses such as building retrofit, building expansion, building improvements, fixture improvements, new building construction for a total of \$1,300,000. **(\$1,300,000)**

Total FastTrack funds for this project - \$1,300,000

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*	Tritium Technologies LLC	\$536,000	
ECONOMIC DEVELOPMENT			
TOTAL		\$536,000	

(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): Tritium Technologies 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

2-9-23

Date



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

October 21, 2022

INCENTIVE ACCEPTANCE FORM

This form serves as notice that Tritium Technologies LLC intends, in good faith, to create 778 private sector jobs in Lebanon, Wilson County and make a capital investment of \$25,014,000 in exchange for incentives that will be memorialized in a grant agreement between Tritium Technologies 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 Job Training Grant:	\$ 1,556,000
Total ECD Commitment:	\$ 1,556,000

Please sign your name in the space below to signify Tritium Technologies LLC's acceptance of ECD's offer set forth above and return it by January 21, 2023 to:

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

Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form. The incentives described in this letter are based upon the representations made by the Company to ECD regarding the project. ECD reserves the right to revise the incentives described in this Incentive Acceptance Form if any aspect of the project changes after receipt of this form. Changes that could result in revision of incentives include, but are not limited to, number of jobs, amount of capital investment, composition of company vs. contract jobs, average wage, or location of the project. ECD reserves the right to recover funds for this project if grant contracts are not executed within one year of the date of signature below.

Signature: [Signature]
(Authorized Representative of Company)

Date: 10/25/2022

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*	Saxco International, LLC	\$1,000,000	
ECONOMIC DEVELOPMENT			
TOTAL		\$1,000,000	

(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): Saxco International, 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

2-9-23

Date



Department of Economic and Community Development

Bob Rolfe
Commissioner

Bill Lee
Governor

December 21, 2021

INCENTIVE ACCEPTANCE FORM

This form serves as notice that Saxco International, LLC intends, in good faith, to create 100 private sector jobs in Davidson County and make a capital investment of \$2,515,000 in exchange for incentives that will be memorialized in a grant agreement between Saxco International, 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

Scenario 2

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

Please sign your name in the space below to signify Saxco International, LLC's acceptance of ECD's offer set forth above and return it by March 21, 2022 to:

Tennessee Department of Economic and Community Development
Attn: Joey Viola
312 Rosa Parks Avenue, 27th Floor
Nashville, TN 37243
Joey.Viola@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: Tim Nugent
(Authorized Representative of Company)

Date: 12/21/21

State Funding Board FastTrack Checklist

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

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

TYPE OF FUNDING	RECIPIENT ENTITY	GRANT AMOUNT	LOAN AMOUNT
INFRASTRUCTURE			
TRAINING*			
ECONOMIC DEVELOPMENT	Industrial Development Board of Williamson County, Tennessee	\$2,750,000	
TOTAL		\$2,750,000	

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

*ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity): In-N-Out Burgers, Inc

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

GENERAL STATUTORY COMPLIANCE

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

Identify which of the following apply:

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

Applicant must answer "Yes" to a or b.

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

TRAINING

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

INFRASTRUCTURE

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

Applicant must answer "Yes" to a or b.

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


ECONOMIC DEVELOPMENT

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

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



Commissioner of Economic and Community Development



Date



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

December 19, 2022

INCENTIVE ACCEPTANCE FORM

This form serves as notice that In-N-Out Burgers, Inc intends, in good faith, to create 277 private sector jobs in Franklin, Williamson County and make a capital investment of \$125,500,000 in exchange for incentives that will be memorialized in a grant agreement between In-N-Out Burgers, Inc and the State of Tennessee. New jobs must be in addition to the company's baseline of 0 jobs at the project site in Tennessee.

ECD OFFER SUMMARY

FastTrack Economic Development Grant:	\$ 2,750,000
Total ECD Commitment:	\$ 2,750,000

Please sign your name in the space below to signify In-N-Out Burgers, Inc's acceptance of ECD's offer set forth above and return it by March 19, 2023 to:

Tennessee Department of Economic and Community Development
Attn: Allyson Woodward
312 Rosa Parks Avenue, 27th Floor
Nashville, TN 37243
Allyson.Woodward@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: 01/05/23



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

February 15, 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 Williamson County, Tennessee for the benefit of In-N-Out Burgers, Inc in the amount of \$2,750,000 to offset the costs In-N-Out Burgers, Inc will incur in new building construction 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 net new, high wage jobs, capital investment and the brand. In-N-Out Burgers, Inc has committed to create 277 net new jobs and make a \$125,500,000 capital investment within five (5) years. The company will have an average hourly wage of \$44.11 for the new positions. This project will have an exceptional impact on this area of the state.

Sincerely,

A handwritten signature in blue ink, appearing to read "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
<input type="checkbox"/>	INFRASTRUCTURE			
<input type="checkbox"/>	TRAINING*			
<input type="checkbox"/>	ECONOMIC DEVELOPMENT	Industrial Development Board of the County of Bradley and City of Cleveland, Tennessee	\$9,000,000	
TOTAL			\$9,000,000	

(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): SK Food Group, Inc.

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

GENERAL STATUTORY COMPLIANCE

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

Identify which of the following apply:

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

Applicant must answer "Yes" to a or b.

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

TRAINING

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

INFRASTRUCTURE

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

Applicant must answer "Yes" to a or b.

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

ECONOMIC DEVELOPMENT

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

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


 Commissioner of Economic and Community Development

2-9-23
 Date



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

October 21, 2022

INCENTIVE ACCEPTANCE FORM

This form serves as notice that SK Food Group, Inc. intends, in good faith, to create 840 private sector jobs in Cleveland, Bradley County and make a capital investment of \$205,160,000 in exchange for incentives that will be memorialized in a grant agreement between SK Food Group, Inc. and the State of Tennessee. New jobs must be in addition to the company's baseline of 0 jobs at the project site in Tennessee.

ECD OFFER SUMMARY

FastTrack Economic Development Grant:	\$ 9,000,000
Total ECD Commitment:	\$ 9,000,000

Please sign your name in the space below to signify SK Food Group, Inc.'s acceptance of ECD's offer set forth above and return it by January 19, 2023 to:

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

Date: 12/19/2022



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

February 15, 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 Bradley and City of Cleveland, Tennessee for the benefit of SK Food Group, Inc. in the amount of \$9,000,000 to offset the costs SK Food Group, Inc. will incur in 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 community due to the number of net new, high wage jobs and capital investment. SK Food Group, Inc. has committed to create 840 net new jobs and make a \$205,160,000 capital investment within five (5) years. The company will have an average hourly wage of \$23.50 for the new positions. This project will have an exceptional impact on this area of the state.

Sincerely,

A handwritten signature in blue ink that reads "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*	Arrowhead Engineered Products	\$1,500,000	
ECONOMIC DEVELOPMENT			
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): Arrowhead Engineered Products

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

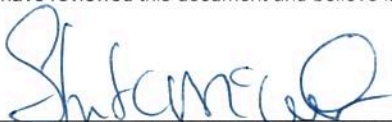
INFRASTRUCTURE

- 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
- 12. 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)?
- 12. 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

2-9-13

Date



Department of Economic and Community Development

Bob Rolfe
Commissioner

Bill Lee
Governor

March 29, 2022

INCENTIVE ACCEPTANCE FORM

This form serves as notice that Arrowhead Engineered Products intends, in good faith, to create 414 private sector jobs in Portland, Robertson County and make a capital investment of \$19,479,800 in exchange for incentives that will be memorialized in a grant agreement between Arrowhead Engineered Products 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 Job Training Grant:	\$ 1,500,000
Total ECD Commitment:	\$ 1,500,000

Please sign your name in the space below to signify Arrowhead Engineered Products' acceptance of ECD's offer set forth above and return it by April 28, 2022 to:

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


(Authorized Representative of Company)

Date:

4-25-2022

State Funding Board FastTrack Checklist

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

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

TYPE OF FUNDING		RECIPIENT ENTITY	GRANT AMOUNT	LOAN AMOUNT
<input type="checkbox"/>	INFRASTRUCTURE			
<input type="checkbox"/>	TRAINING*			
<input type="checkbox"/>	ECONOMIC DEVELOPMENT	Hohenwald Industrial Development Board	\$1,300,000	
TOTAL			\$1,300,000	

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

Identify which of the following apply:

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

Applicant must answer "Yes" to a or b.

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

TRAINING

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

INFRASTRUCTURE

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

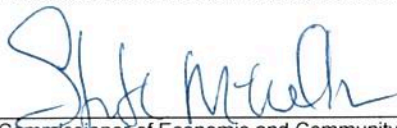
Applicant must answer "Yes" to a or b.

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

ECONOMIC DEVELOPMENT

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

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



Commissioner of Economic and Community Development

7-9-23

Date



Department of Economic and Community Development

Bob Rolfe
Commissioner

Bill Lee
Governor

June 16, 2022

INCENTIVE ACCEPTANCE FORM

This form serves as notice that Summertown Metals, LLC intends, in good faith, to create 197 private sector jobs in Hohenwald, Lewis County and make a capital investment of \$10,976,000 in exchange for incentives that will be memorialized in a grant agreement between Summertown Metals, LLC and the State of Tennessee. New jobs must be in addition to the company's baseline of 170 jobs at the project site in Tennessee.

ECD OFFER SUMMARY

FastTrack Economic Development Grant:	\$ 1,300,000
Total ECD Commitment:	\$ 1,300,000

Please sign your name in the space below to signify Summertown Metals, LLC's acceptance of ECD's offer set forth above and return it by September 14, 2022 to:

Tennessee Department of Economic and Community Development
Attn: Allyson Woodward
312 Rosa Parks Avenue, 27th Floor
Nashville, TN 37243
Allyson.Woodward@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: 6-17-22



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

February 15, 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 Hohenwald Industrial Development Board for the benefit of Summertown Metals, LLC in the amount of \$1,300,000 to offset the costs Summertown Metals, LLC will incur in building retrofit, building expansion, building improvements, fixture improvements, 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 Tier 4 At-Risk community due to the number of net new, high wage jobs and capital investment. Summertown Metals, LLC has committed to create 197 net new jobs and make a \$10,976,000 capital investment within five (5) years. The company will have an average hourly wage of \$29.87 for the new positions.

This project will have an exceptional impact on this area of the state.

Sincerely,

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

Stuart McWhorter

SM/js



JASON E. MUMPOWER
Comptroller

To: State Funding Board Members
From: Steve Osborne, Assistant Director
Division of Local Government Finance
Date: February 15, 2023
Subject: Notice of Default on Metro Nashville IDB Series 2015 Bonds

Default – Bellevue Mall Project

The Industrial Development Board of the Metropolitan Government of Nashville and Davidson County (the “IDB”) filed a notice of default on December 16, 2022, in connection with its Series 2015 Tax Increment Revenue Bonds (the Bellevue Mall Project). The Debt Service Reserve Fund has been exhausted for the bonds. The bonds are secured by Tax Incremental Financing (TIF) Revenues.

According to the default notice: sufficient funds were not available to fund the scheduled December 1, 2022, debt service payment, requiring funds to be transferred from the debt service reserve fund, leaving an unpaid balance of \$45,690.99 for the payment on December 1, 2022. The transfer of funds from the debt service reserve fund fully depleted the debt service reserve fund. Based on projected tax increment revenues there may be insufficient revenues to fully fund future debt service payments or to replenish the debt service reserve fund.

Pursuant to State Funding Board Guidelines, IDBs are required to provide the Board notice of any default within 15 days of the event of default. The default notice was filed timely.

Series 2015 Bonds

This is the first reported default notice for the Series 2015 Bonds. However, the debt service reserve fund of the Series 2015 Bonds has been drawn on in years 2019, 2020, 2021, and 2022. The last draw in 2022 was \$45,690.99 insufficient to make the required debt service payment. The Series 2015 bonds were issued on December 31, 2015. The first three years of debt service was paid by capitalized interest payments. Debt service reserve funds were needed for the 2019 payment which was the first year after the capitalized payments ended.

The Series 2015 Bonds were issued by private placement and are secured by TIF Revenues on the Bellevue Project.

Failure to make payments on the Series 2015 bonds when TIF revenue is insufficient is not a default under the bond indenture, but it is a default under state law. The IDB is not in default with its bondholders.

Nashville reported that the Series 2015 Bonds were purchased by Preston Hollow Community

Capital and that the investor was aware that the failure to make the payment due to inadequate revenues available was not a default under the indenture. Preston Hollow is a Dallas based investment firm “*providing specialized impact financing solutions for projects of significant social and economic importance to local communities in the United States.*”

For further information about the security for the Series 2015 Bonds, please see the excerpt from the official statement and for the definition of default from the indenture below:

SECURITY AND SOURCES OF PAYMENT

Limited Obligations

The Bonds are special and limited obligations of the Issuer payable from Tax Increment Revenues on property located within the boundaries of the Bellevue Economic Impact Plan. *Generation of sufficient Tax Increment Revenues to pay Debt Service on the Bonds requires the closing of the construction loans for the various Project components and the construction of most of the Project, none of which has occurred as of the issuance of the Bonds.*

THE BONDS AND THE OBLIGATIONS EVIDENCED THEREBY DO NOT CONSTITUTE A LIEN UPON ANY PROPERTY OF THE ISSUER OR ANY PROPERTY OF THE DEVELOPER, INCLUDING, WITHOUT LIMITATION, THE PROJECT, THE PLAN AREA OR ANY PORTION THEREOF, BUT CONSTITUTE A LIEN ONLY ON THE TRUST ESTATE AS SET FORTH IN THE INDENTURE. NOTHING IN THE BONDS OR IN THE INDENTURE SHALL BE CONSTRUED AS OBLIGATING THE ISSUER TO PAY THE BONDS OR THE REDEMPTION PRICE THEREOF OR THE INTEREST THEREON EXCEPT FROM THE TRUST ESTATE, OR AS PLEDGING THE FAITH AND CREDIT OF THE ISSUER, THE METROPOLITAN GOVERNMENT, THE COUNTY OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, OR AS OBLIGATING THE ISSUER, THE METROPOLITAN GOVERNMENT, THE COUNTY OR THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS, DIRECTLY OR INDIRECTLY OR CONTINGENTLY, TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR. FOR THE AVOIDANCE OF DOUBT, DEVELOPER SHALL HAVE NO OBLIGATION TO PAY THE BONDS OR THE REDEMPTION PRICE THEREOF OR THE INTEREST THEREON.

Pledged Revenues and Funds; Trust Estate

Pursuant to the Indenture, the Issuer will pledge, transfer and assign to the Trustee for the benefit of the Bondholders (the “Trust Estate”):

- All of the Issuer's right, title and interest in all of that portion of the ad valorem real property taxes levied upon those parcels of real property and those items of personal property located within the boundaries of the Bellevue Economic Impact Plan, as described in more detail below (the "Designated Properties") (see **TAX INCREMENT FINANCING - Designated**

Properties for Tax Increment Revenues), required to be allocated to, and when collected, paid to the Issuer pursuant to the Industrial Development Board Act (the "Tax Increment Revenues");

- The Issuer's rights under the Development Agreement (see **DEVELOPMENT AGREEMENT**); and
- All moneys and securities in any one of the funds or accounts established under the Indenture (other than the Administrative Expense Fund).

Such security will be for the equal and proportionate benefit and security of the registered owners from time to time of the Bonds issued under the Indenture, without preference of any Bond over any other Bond. No additional bonds may be issued by the Issuer secured by the Tax Increment Revenues.

ARTICLE VIII.
EVENTS OF DEFAULT AND REMEDIES

Section 8.1 Events of Default and Remedies. Events of default and remedies with respect to the Bonds shall be as set forth in this Indenture.

Section 8.2 Events of Default Defined. Each of the following shall be an “Event of Default” under the Indenture, with respect to the Bonds:

(a) if default shall be made in the due and punctual observance or performance of any covenant, contract or other provision in the Bonds or in this Indenture to be observed or performed, as applicable, by the Issuer, and such default shall continue for a period of thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by the Trustee; provided however, in no event shall the failure to pay any installment of principal or of interest on the Bonds constitute an Event of Default, unless the Revenues and other amounts on deposit in the Pledged Funds are sufficient to timely pay such installment, in which case the default shall be immediate upon the failure to timely pay such installment; and, provided further, that failure to apply any Revenues and other amounts on deposit in the Pledged Funds to the payment of principal, interest and any premium on the Bonds as required hereunder shall constitute an immediate Event of Default; or

(b) if the Issuer or the Metropolitan Government shall institute proceedings to be adjudicated as bankrupt or insolvent, or shall consent to the institution of bankruptcy or insolvency proceedings against it, or shall file a petition or answer or consent seeking reorganization or relief under the federal bankruptcy code or any other similar applicable federal or state law, or shall consent to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the Issuer or of any substantial part of its property, or shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due.

Section 8.3 Acceleration; Rescission and Annulment. If an Event of Default described in Section 8.2(b) occurs and is continuing, the Trustee may, and upon the written request of the Bondholder Representative or, in the case of no Bondholder Representative, of Owners of not less than 25% in principal amount of the Bonds Outstanding shall, by written notice to the Issuer, declare the principal of all Bonds Outstanding and the interest accrued thereon to be due and payable, and upon any such declaration such principal and interest shall become immediately due and payable.

**Notice of Default Form
Industrial Development Board**

A. **Name of IDB** The Industrial Development Board of The Metropolitan Government of Nashville and Davidson County

B. **Contact Information:**

	Name	Title	Company Name	Phone Number	Email Address
IDB President	<u>Nigel Hodge</u>	<u>Chairman</u>			<u>standstrat@gmail.com</u>
IDB Counsel	<u>Corbin I. Carpenter</u>	<u>Issuer's Counsel</u>	<u>Carpenter Law, PLLC</u>	<u>901523-7788</u>	<u>corbinc@386beale.com</u>
Financial Advisor	<u>N/A</u>				
Obligor					
Authorized Representative	<u>Nigel Hodge</u>	<u>Chairman</u>			<u>standstrat@gmail.com</u>

C. **Name of Defaulted Debt Issue** Tax Increment Revenue Bonds (Bellevue Mall Project), Series 2015

D. **Description of Debt** revenue bonds issued as conduit to finance a portion of the redevelopment costs of the former Bellevue Center Mall.

E. **Type of Default** Monetary

F. **Date of Default** December 1, 2022

G. **Date Default Reported on EMMA** December 9, 2022

H. **Reason for Default and Plans to Cure** Lack of sufficient cash flow of pledge revenues to make scheduled debt service payments for the bonds

I. **Additional Comments** Please see attached hereto: (i) the December 9th EMMA, (ii) the December 16th filing with the Comptroller of the Treasury and the (iii) Private Placement Memorandum for additional information

*Please provide a copy of the Official Statement, Offering Memorandum, or Loan Documents, whichever is applicable.

J. Signatures

Signature	<u><i>/s/ Nigel Hodge</i></u>	<u><i>/s/ Corbin I. Carpenter</i></u>
Name	<u>Nigel Hodge</u>	<u>Corbin I. Carpenter</u>
Title	<u>Chairman</u>	<u>Issuer's Counsel</u>
Phone		<u>901-523-7788</u>
Email	<u>standstrat@gmail.com</u>	<u>corbinc@386beale.com</u>
Date	<u>December 16, 2022</u>	<u>December 16, 2022</u>

K. **Date Notice of Default Filed with Comptroller of the Treasury** December 16, 2022

NOTICE OF DEFAULT OF CONDUIT FINANCING DEBT OBLIGATION
(Pursuant to Tennessee Code Annotated Section 7-53-304)

Conduit Issuer: The Industrial Development Board of the Metropolitan Government of Nashville and Davidson County, Tennessee (the “Industrial Development Board”)

Relevant CUSIP Number: 592111BG2

Type of Information: Notice of Default of Debt Obligations regarding the Industrial Development’s Board \$21,935,000 Tax Increment Revenue Bonds (Bellevue Mall Project) Series 2015 (the “Bonds”)

Type of Disclosure: Notice of Default of Debt Obligations as set forth in TCA 7-53-304 (b)

Description: Principal and interest payment delinquency; and unscheduled draw on debt service reserve fund reflecting financial difficulties.

THE INDUSTRIAL DEVELOPMENT BOARD IS MAKING THIS FILING OF DEFAULT OF DEBT OBLIGATIONS PURSUANT TO TENNESSEE CODE ANNOTATED (TCA) 7-53-304 (b).

Capitalized terms used herein shall have the meanings ascribed to them as set forth in the Indenture (as hereinafter defined) and the Undertaking (as hereinafter defined).

The Bonds were issued pursuant to a Trust Indenture dated as of December 1, 2015 (the “**Indenture**”), by and between the Industrial Development Board and Regions Bank, as Trustee (the “**Trustee**”). Under the Indenture, the Industrial Development Board pledged as security for payment of the Bonds (i) its rights to the tax increment revenues generated by the Bellevue Mall Project (the “**Project**”), (ii) its rights under the Development Agreement executed by and between the Industrial Development Board and Bellevue Redevelopment Associates, LP (the “**Developer**”) for the Project, and (iii) certain funds established and maintained under the Indenture, including a debt service reserve fund.

On December 31, 2015, the Industrial Development Board served as conduit issuer (the “**Conduit Issuer**”) in connection with its \$21,935,000 Tax Increment Revenue Bonds (Bellevue Mall Project) Series 2015 (the “Bonds”). The Bonds are special and limited obligations of the Industrial Development Board, and neither the Industrial Development Board, the State of Tennessee, nor any political subdivision thereof, including The Metropolitan Government of Nashville and Davidson County (the “**Metropolitan Government**”), nor the Developer or owner of the Project or the Plan Area or any portion thereof, shall be obligated to pay the Bonds except from funds pledged under the Indenture. The Industrial Development Board has no taxing power.

Debt service on the Bonds is payable on June 1 and December 1 of each year. The debt service on the Bonds is payable solely from funds pledged under the Indenture and are additionally supported by a debt service reserve fund that can be used to pay debt service on the Bonds if tax increment revenues are insufficient.

The Industrial Development Board hereby provides notice that sufficient funds were not available to fund the scheduled December 1 debt service payment, requiring funds to be transferred from the debt service reserve fund, leaving an unpaid balance of \$45,690.99 for the payment on December 1, 2022. The transfer of funds from the debt service reserve fund fully depleted the debt service reserve fund. Based on

projected tax increment revenues there may be insufficient revenues to fully fund future debt service payments or to replenish the debt service reserve fund.

The Industrial Development Board further provides notice that by the terms of the Indenture and other applicable Bond Documentation, a debt service delinquency is not a default, but the Conduit Issuer determined, as a matter of compliance with state law, that the public filing of this Notice of Default of Debt Obligations is required pursuant to TCA 7-53-304 (b).

THIS NOTICE OF DEFAULT OF DEBT OBLIGATIONS FILING IS PROVIDED SOLELY FOR TCA, SECTION 7-53-304 (b). THIS FILING DOES NOT CONSTITUTE A REPRESENTATION REGARDING ANY FINANCIAL OR OPERATING DATA OR OTHER INFORMATION CONCERNING THE INDUSTRIAL DEVELOPMENT BOARD OR THE METROPOLITAN GOVERNMENT; NOR DOES IT CONSTITUTE A REPRESENTATION THAT NO OTHER CIRCUMSTANCES OR EVENTS HAVE OCCURRED OR THAT NO OTHER INFORMATION EXISTS REGARDING THE INDUSTRIAL DEVELOPMENT BOARD THAT MAY HAVE A BEARING ON THE FINANCIAL CONDITION OF THE INDUSTRIAL DEVELOPMENT BOARD OR THE SECURITY FOR THE INDUSTRIAL DEVELOPMENT BOARD'S OUTSTANDING BONDS, NOTES AND OTHER OBLIGATIONS. THIS NOTICE DOES NOT CONSTITUTE A RECOMMENDATION TO BUY, SELL, OR HOLD ANY BONDS, NOTES OR OTHER OBLIGATIONS FOR WHICH THE INDUSTRIAL DEVELOPMENT BOARD IS THE OBLIGOR OR IS AN "OBLIGATED PERSON" UNDER RULE 15c2-12 OF THE SECURITIES AND EXCHANGE ACT OF 1934.

THE INFORMATION SET FORTH IN THIS NOTICE OF DEFAULT OF DEBT OBLIGATIONS FILING, INCLUDING THE APPENDICES ATTACHED HERETO, IF ANY, IS ONLY ACCURATE AS OF THE DATE HEREOF AND THERE MAY BE EVENTS THAT OCCUR SUBSEQUENT TO SUCH DATE THAT WOULD HAVE A MATERIAL ADVERSE EFFECT ON THE INFORMATION PRESENTED HEREIN. THE INFORMATION SET FORTH HEREIN IS NOT WARRANTED AS TO COMPLETENESS OR ACCURACY AND MAY BE SUBJECT TO CHANGE WITHOUT NOTICE UPON MODIFICATIONS MUTUALLY APPROVED BY THE INDUSTRIAL DEVELOPMENT BOARD AND THE METROPOLITAN GOVERNMENT.

Date: December 16, 2022.

**THE INDUSTRIAL DEVELOPMENT
BOARD OF THE METROPOLITAN
GOVERNMENT OF NASHVILLE AND
DAVIDSON COUNTY, TENNESSEE**

By: /s/ Nigel Hodge

**Nigel Hodge
Board Chairman**

ATTEST:

By: /s/ Winnie Forrester

**Winnie Forrester
Board Secretary**



JASON E. MUMPOWER
Comptroller

To: State Funding Board Members
From: Steve Osborne, Assistant Director
Division of Local Government Finance
Date: February 15, 2023
Subject: Notices of Default on 2017 Graceland Bonds

Defaults – EDGE

The Economic Development Growth Engine Industrial Development Board of Memphis and Shelby County (EDGE) filed 2 notices of default in connection with its Series 2017C and Series 2017D Graceland Bonds. The Debt Service Reserve Funds have been exhausted for both series. These bonds are secured by:

- Tax Incremental Financing (TIF) Revenues
- Tourism Development Zone (TDZ) Revenues
- Tourism Surcharge Revenues

According to communications from EDGE, performance of the Graceland Campus continues to improve. Tourism surcharge revenues reported for the six months ended November 2022, were up approximately \$700,000 over the prior year; however no payments were made on the Series 2017C Bonds or the Series 2017D Bonds. Payments were made on the Series 2017A Bonds and the Series 2017B Bonds.

Pursuant to State Funding Board Guidelines, IDBs are required to provide the Board notice of any default within 15 days of the event of default. Both default notices were filed within the 15-day requirement on January 13, 2023.

Series 2017C

This is the fourth default notice for the Series 2017C Bonds. The Series 2017C Bonds were issued by public sale and are secured by a second lien on Tourism Surcharge Revenues and a third lien on the TIF Revenues and TDZ Revenues.

Failure to make payments on the Series 2017C bonds is a default under both the bond indenture and state law. Accordingly, EDGE is in default with its bondholders.

Series 2017D

This is the fifth default notice for the Series 2017D Bonds.

The Series 2017D Bonds were privately placed and are secured by a fourth and subordinate lien on the Tax Incremental Financing (TIF) Revenues and the Tourism Development Zone (TDZ) Revenues as well as a third and subordinate lien on the Tourism Surcharge Revenues.

Failure to make payments on the Series 2017D bonds is not a default under the bond indenture. As a result, EDGE is not contractually in default with its bondholders for the Series 2017D but is in default under state law.

The 2017E Series are held by Graceland Entities and the Graceland Entities have continued to defer payment of the interest on the Series 2017E Bonds.

For further information about the security for the Graceland Bonds, please see the excerpt from the official statement below:

SECURITY AND SOURCE OF PAYMENTS FOR THE OFFERED BONDS

General

The Issuer, along with the City, the County and the State have made the following sources of funds available to assist in the Graceland Development (collectively, the “Pledged Payments”):

- *TIF Revenues* – Pursuant to the Act, the Issuer, the City and the County approved the Economic Impact Plan (as defined herein) for the area encompassing the Graceland Development (the “Plan Area”) and agreed that fifty percent (50%) of all incremental real and personal property taxes collected within the Plan Area would be allocated to the Issuer through tax year beginning January 1, 2034.
- *TDZ Revenues* – Pursuant to T.C.A. Sections 7-88-101 et seq. (the “TDZ Act”) and the TDZ Application (as defined herein) approved by the City and the State of Tennessee, the State of Tennessee is required to allocate a portion of all state and local sales taxes collected on sales within the Plan Area to the Issuer through June 30, 2045.
- *Tourism Surcharge Revenues* – Pursuant to City Council Ordinance No. 5583, the City levies a five percent (5%) surcharge on all sales made within a portion of the Plan Area. The City is required to remit the revenues generated from this surcharge to the Issuer for sales occurring through April 30, 2045.

The Series 2017A Bonds are secured under the Indenture by (i) a first and senior lien on the TIF Revenues and the TDZ Revenues, and (ii) certain funds held by the Master Trustee under the Indenture. The Series 2017A Bonds are not payable from or secured by a pledge of the Tourism Surcharge Revenues. The Graceland TDZ (as defined herein) consists of the entire approximately 120-acre Graceland Campus.

The Series 2017C Bonds are secured under the Indenture by (i) a second lien on the Tourism Surcharge Revenues (subject to a lien in favor of the Series 2017B Bonds) (ii) a third lien on the TIF Revenues and the TDZ Revenues (subject to a lien in favor of the Series 2017A Bonds and the 2017B Bonds) and (iii) certain funds held by the Master Trustee under the Indenture. The Graceland Tourism Surcharge District consists of approximately 120 acres, consisting of the entire Graceland Campus, except for an approximately 6-acre section in the southwestern portion of the Graceland Project (between Elvis Presley Boulevard and Masonwood lane, north of Craft Road).

The Series 2017B Bonds (not offered hereby) are secured by a first and senior lien on the Tourism Surcharge Revenues and a second lien on the TIF Revenues and the TDZ Revenues. The Series 2017D and 2017E Bonds are secured by a pledge of the TIF Revenues, TDZ Revenues and Tourism Surcharge Revenues on a subordinate basis to the Series 2017C Bonds, all as more fully described herein.

The Offered Bonds are secured under the Indenture as illustrated by the Flow of Funds as more fully explained herein.

**Notice of Default Form
Industrial Development Board**

A. **Name of IDB** Economic Development Growth Engine (EDGE) for Memphis and Shelby County

B. **Contact Information:**

Name	Title	Company Name	Phone Number	Email Address
Mark Beutelschies	General Counsel	Farris Bobango Branam	(901) 259-7100	MarkB@Farris-Law.com
Al Bright Jr.	EDGE Chairman	EDGE	(901) 341-2100	AlBright@BassBerry.com

C. **Name of Defaulted Debt Issue** Subordinate Tax Increment Revenue Bonds (Graceland Project), Series 2017C (CUSIP: 58611YAD6)

D. **Description of Debt** The Series 2017C Bonds were issued, along with the Series 2017A Bonds, to finance the prepayment of a portion of the Issuer's outstanding Series 2015A Direct Obligation Notes, fund the respective Debt Service Funds and Debt Service Reserve Funds per the Indenture, and to pay costs associated with the Series 2017A and Series 2017C Bonds.

E. **Type of Default** Monetary

F. **Date of Default** January 1, 2023

G. **Date Default Reported on EMMA** January 9, 2023

H. **Reason for Default and Plans to Cure** The debt service payment due on the Series 2017C Bonds was not paid as a result of insufficient funds. Pursuant to the Supplemental Master Trust Indenture No. 4 dated as of October 1, 2017 (the "Fourth Supplemental Indenture"), prior to any Tourism Surcharge Revenues being applied to debt service on the Series 2017C Bonds, they are first pledged to the payment of administrative expenses, the payment of debt service on the Series 2017B Bonds, and pledged to the replenishment of the Series 2017B Debt Service Reserve Fund, if necessary. As of November 30, 2022, the balance of the Tourism Surcharge Incentive Payment Sub-Account was equal to \$1,808,295.50. In December 2022, there was an additional deposit of Tourism Surcharge Revenues equal to \$455,006.98 and investment income earned on the balance equal to \$3,610.85, resulting in the total Tourism Surcharge Revenues available to be equal to \$2,266,913.33. According to U.S. Bank National Association (the "Trustee"), \$3,067.50 of Tourism Surcharge Revenues were used to pay administrative expenses pursuant to Section 1302(b) of the Fourth Supplemental Indenture, \$600,128.75 of Tourism Surcharge Revenues were used to pay the debt service due on the Series 2017B Bonds pursuant to Section 1302(e) of the Fourth Supplemental Indenture, and \$982,142.73 of Tourism Surcharge Revenues were transferred to the Series 2017B Debt Service Reserve Fund pursuant to Section 1302(f) of the Fourth Supplemental Indenture, fully replenishing the Series 2017B Debt Service Reserve Fund to the Series 2017B Debt Service Reserve Requirement. Accordingly, the remaining \$681,574.35 of Tourism Surcharge Revenues were transferred to the Series 2017C Debt Service Fund pursuant to Section 1302(g) of the Fourth Supplemental Indenture. Even after this transfer, the Series 2017C Debt Service Fund had insufficient funds to pay the interest payment due January 1, 2023, on the Series 2017C Bonds in the amount of \$853,125.00. As of December 31, 2022, the balance of the Series 2017C Debt Service Fund was equal to \$681,577.77. This amount is expected to be available for future debt service payments. Based on the Tourism Surcharge Revenues meeting or exceeding pre-COVID levels, since the Series 2017B Debt Service Reserve Requirement was replenished, it is expected that a larger portion of Tourism Surcharge Revenues will be available to be applied to debt service payments related to the Series 2017C Bonds in the future.

The Indenture provides that, upon the occurrence of an Event of Default, the Master Trustee may pursue any available remedy. In addition, Holders of twenty-five percent (25%) or more in aggregate principal amount of the Bonds outstanding may request the Master Trustee to pursue one or more available remedies, provided such requesting Holders also provide satisfactory indemnify to the Master Trustee as set forth in the Indenture. The Master Trustee does not intend to pursue any remedies at this time with respect to the Series 2017C Events of Default. If the Master Trustee hereafter determines to exercise any such remedies, it will so notify the Holders. If the Master Trustee receives written direction from Holders owning the requisite percentage of Series 2017C Bonds, coupled with satisfactory indemnity, the Master Trustee will undertake to determine which actions may be most expedient and in the best interests of Holders, and will further seek advice of counsel with respect to whether such remedies are available, whether such actions may be lawfully be taken, and whether such actions would be unjustly prejudicial to the Holders not parties to such request.

I. **Additional Comments** The current debt service payments that are considered to be in default related to the Series 2017C Bonds are the payment due on July 1, 2021, January 1, 2022, July 1, 2022, and now January 1, 2023. Each of these payments were in the amount of \$853,125.00.

*Please provide a copy of the Official Statement, Offering Memorandum, or Loan Documents, whichever is applicable.

J. **Signatures**

Signature	<u><i>Al Bright Jr.</i></u>	<u><i>Patrick Kennedy</i></u>
Name	<u>Al Bright Jr.</u>	<u>Patrick Kennedy</u>
Title	<u>EDGE Chairman, EDGE</u>	<u>Manager, MuniCap, Inc.</u>
Phone	<u>(901) 341-2100</u>	<u>(412) 520-8363</u>
Email	<u>AlBright@BassBerry.com</u>	<u>patrick.kennedy@municap.com</u>
Date	<u>February 3, 2023</u>	<u>February 3, 2023</u>

K. **Date Notice of Default Filed with Comptroller of the Treasury** February 3, 2023

**Notice of Default Form
Industrial Development Board**

A. **Name of IDB** Economic Development Growth Engine (EDGE) for Memphis and Shelby County

B. **Contact Information:**

Name	Title	Company Name	Phone Number	Email Address
Mark Beutelschies	General Counsel	Farris Bobango Branan	(901) 259-7100	MarkB@Farris-Law.com
Al Bright Jr.	EDGE Chairman	EDGE	(901) 341-2100	AlBright@BassBerry.com

I**DB President**
I**DB Counsel**
F**inancial Advisor**
O**bligor**
A**uthorized Representative**

C. **Name of Defaulted Debt Issue** Subordinate Tax Increment Revenue Bonds (Graceland Project), Series 2017D (CUSIP: 58611YAH7)

D. **Description of Debt** The Series 2017D Bonds were issued to fund a portion of the prepayment of the Prior Loans of the Issuer, to fund the Series 2017D Debt Service Reserve Requirement for the Series 2017D Subordinate Taxable Bonds, and to pay the costs of issuing the Series 2017D Subordinate Taxable Bonds.

E. **Type of Default** Monetary

F. **Date of Default** January 1, 2023

G. **Date Default Reported on EMMA** January 9, 2023

H. **Reason for Default and Plans to Cure** The debt service payment due on the Series 2017D Bonds was not paid as a result of insufficient funds. Pursuant to the Supplemental Master Trust Indenture No. 4 dated as of October 1, 2017 (the "Fourth Supplemental Indenture"), prior to any Tourism Surcharge Revenues being applied to debt service on the Series 2017D Bonds, they are first pledged to the payment of administrative expenses, the payment of debt service on the Series 2017B Bonds, pledged to the replenishment of the Series 2017B Debt Service Reserve Fund, if necessary, the payment of debt service on the Series 2017C Bonds, and pledged to the replenishment of the Series 2017C Debt Service Reserve Fund, if necessary. As of November 30, 2022, the balance of the Tourism Surcharge Incentive Payment Sub-Account was equal to \$1,808,295.50. In December 2022, there was an additional deposit of Tourism Surcharge Revenues equal to \$455,006.98 and investment income earned on the balance equal to \$3,610.85, resulting in the total Tourism Surcharge Revenues available to be equal to \$2,266,913.33. According to U.S. Bank National Association (the "Trustee"), \$3,067.50 of Tourism Surcharge Revenues were used to pay administrative expenses pursuant to Section 1302(b) of the Fourth Supplemental Indenture, \$600,128.75 of Tourism Surcharge Revenues were used to pay the debt service due on the Series 2017B Bonds pursuant to Section 1302(e) of the Fourth Supplemental Indenture, and \$982,142.73 of Tourism Surcharge Revenues were transferred to the Series 2017B Debt Service Reserve Fund pursuant to Section 1302(f) of the Fourth Supplemental Indenture, fully replenishing the Series 2017B Debt Service Reserve Fund to the Series 2017B Debt Service Reserve Requirement. Accordingly, the remaining \$681,574.35 of Tourism Surcharge Revenues were transferred to the Series 2017C Debt Service Fund pursuant to Section 1302(g) of the Fourth Supplemental Indenture. Additionally, the Series 2017C Debt Service Reserve Requirement is equal to \$1,218,750.00. As of December 31, 2022, the balance of the Series C Debt Service Reserve Fund was \$2.66, resulting in the Series C Debt Service Reserve Fund to have a deficiency of \$1,218,747.34 related to the Series 2017C Debt Service Reserve Requirement. Pursuant to Section 1302(h) of the Fourth Supplemental Indenture, Tourism Surcharge Revenues are required to replenish the Series C Debt Service Reserve Fund to equal to Series 2017C Debt Service Reserve Requirement before Tourism Surcharge Revenues can be transferred to the Series D Debt Service Fund and applied to debt service due on the Series 2017D Bonds.

I. **Additional Comments** The Series 2017D Bonds are privately placed and are subordinate to the Series 2017A, Series 2017B, and Series 2017C Bonds. Section 1701(c) of the Trust Indenture states that a failure to pay the Series D Bonds when due is not a default.

*Please provide a copy of the Official Statement, Offering Memorandum, or Loan Documents, whichever is applicable.

J. **Signatures**

Signature	<u><i>Al Bright Jr.</i></u>	<u><i>Patrick Kennedy</i></u>
Name	<u>Al Bright Jr.</u>	<u>Patrick Kennedy</u>
Title	<u>EDGE Chairman, EDGE</u>	<u>Manager, MuniCap, Inc.</u>
Phone	<u>(901) 341-2100</u>	<u>(412) 520-8363</u>
Email	<u>AlBright@BassBerry.com</u>	<u>patrick.kennedy@municap.com</u>
Date	<u>February 3, 2023</u>	<u>February 3, 2023</u>

K. **Date Notice of Default Filed with Comptroller of the Treasury** February 3, 2023

Date of Default	Date Posted on EMMA	Date Filed with LGF	Default Description	Series 2017C Monetary Defaults	Series 2017D Monetary Defaults	Date Reported to State Funding Board
1/4/2021	1/5/2021	2/5/2021	Semi-annual interest payment		\$ 205,219	3/22/2021
7/1/2021	7/6/2021	7/8/2021	Principal		\$ 95,000	7/22/2021
7/1/2021	7/6/2021	7/8/2021	Semi-annual interest payment	\$ 853,125	\$ 205,219	7/22/2021
1/1/2022	1/5/2022	2/2/2022	Semi-annual interest payment	\$ 853,125	\$ 201,300	2/23/2022
7/1/2022	7/6/2022	8/3/2022	Principal		\$ 185,000	9/8/2022
7/1/2022	7/6/2022	8/3/2022	Semi-annual interest payment	\$ 853,125	\$ 201,300	9/8/2022
1/1/2023	1/9/2023	1/13/2023	Semi-annual interest payment	\$ 853,125	\$ 193,669	2/15/2023
Total Monetary Defaults				\$ 2,559,375	\$ 1,286,706	



Global Corporate Trust
5715 Burlington Lane
Olive Branch, MS 38654

Notice to Holders of:

**Economic Development Growth Engine Industrial Board of the City of Memphis
and County of Shelby, Tennessee
(Graceland Project) Series 2017**

**\$40,490,000 Senior Tax Increment Revenue Bonds
Series 2017A (Tax Exempt) (the “Series 2017A Bonds”)**

*Cusip: 58611YAA2, 58611YAB0, 58611YAC8

**\$24,430,000 Senior Tax Increment Revenue Bonds
Series 2017B (Taxable) (the “Series 2017B Bonds”)**

*Cusip: 58611YAE4, 58611YAF1, 58611YAG9

**\$24,375,000 Subordinate Tax Increment Revenue Bonds
Series 2017C (Taxable) (the “Series 2017C Bonds”)**

*Cusip: 58611YAD6

**\$5,005,000 Subordinate Tax Increment Revenue Bonds
Series 2017D (Taxable) (the “Series 2017D Bonds”)**

*Cusip: 58611YAH7

**\$10,000,000 Subordinate Tax Increment Revenue Bonds
Series 2017E (Taxable) (the “Series 2017E Bonds”)**

*Cusip: 58611YAH8

Please forward this notice to beneficial holders.

U.S. Bank Trust Company, National Association, as successor in interest to U.S. Bank National Association, serves as Master Trustee (the “*Master Trustee*”) for the above-referenced Series 2017 Bonds, which were issued pursuant to that Master Trust Indenture, dated as of June 1, 2015 (the “*Master Trust Indenture*”) and that Supplemental Master Trust Indenture No. 4, dated as of October 1, 2017 (the “*Fourth Supplemental Indenture*,” and together with the Master Trust Indenture, the “*Indenture*”), by and between Economic Development Growth Engine Industrial Development Board of the City of Memphis and County of Shelby, Tennessee (the “*Issuer*”) and the Master Trustee. Unless otherwise defined herein, all capitalized terms in this Notice will have the same meaning as ascribed to them in the Indenture. The proceeds of the Series 2017 Bonds were used to provide financing for certain capital costs of the Series 2017 Project; to refinance certain loans previously incurred by the

Issuer; and to finance a portion of such capital costs.

January 1, 2023 Interest Payment on Series 2017A Bonds; Transfers of Funds

The Master Trustee made the interest payment that came due on the Series 2017A Bonds on January 1, 2023, in the amount of \$1,053,150.00.

In order to make the January 1, 2023, interest payment, as set forth above, the Master Trustee transferred \$290.37 from the Pledged Payment Fund, \$296,819.57 from the TIF Incentive Payment Sub-Account, and \$756,004.70 from the TDZ Incentive Payment Sub-Account to the Series A Debt Service Fund in accordance with Section 1302(c) of the Fourth Supplemental Indenture.

The Master Trustee also transferred the remaining balance of the TDZ Incentive Payment Sub-Account, which was \$223,293.47, to the Series A Debt Service Reserve Fund in order to help restore the deficiency in the Series A Debt Service Reserve Fund, which was \$1,294,580.05 before the transfer.

January 1, 2023, Interest Payment on Series 2017B Bonds; Transfers of Funds

The Master Trustee made the interest payment that came due on the Series 2017B Bonds on January 1, 2023, in the amount of \$600,128.75.

In order to make the January 1, 2023, interest payment on the Series 2017B Bonds, as set forth above, the Master Trustee transferred \$600,106.25 from the Tourism Surcharge Incentive Payment Sub-Account to the Series B Debt Service Fund, pursuant to Section 1302(e) of the Fourth Supplemental Indenture.

The Master Trustee also transferred \$982,142.73 from the balance of \$1,663,717.08 remaining in the Tourism Surcharge Incentive Payment Sub-Account to the Series B Debt Service Reserve Fund, pursuant to Section 1302(f) of the Fourth Supplemental Indenture, in order to restore completely the deficiency in the Series B Debt Service Reserve Fund.

Continuing Events of Default with respect to Series 2017C Bonds; Failure to Make January 1, 2023 Interest Payment on Series 2017C Bonds; Remedies

In its Notice dated July 29, 2021, its Notice dated January 11, 2022, and its Notice dated July 5, 2022, the Master Trustee advised Holders that, due to insufficient funds in the Series 2017C Debt Service Fund and Series 2017C Debt Service Reserve Fund, the Master Trustee was unable to make either of the interest payments that came due on the Series 2017C Bonds on July 1, 2021, January 1, 2022, and July 1, 2022, respectively; and that the failure to make such debt service payments were Events of Default under the Indenture with respect to the Series 2017C Bonds (the “*7/21-7/22 Events of Default*”). The 7/21-7/22 Events of Default are continuing.

The Master Trustee transferred the \$681,574.35 remaining in the Tourism Surcharge Incentive Payment Sub-Account to the Series 2017C Debt Service Fund. However, even after such transfer there were insufficient funds in the Series 2017C Debt Service Fund and Series 2017C Debt Service Reserve Fund to make the interest payment that came due on the Series 2017C Bonds on January 1, 2023. The failure to make such debt service payment is an additional Event of Default under the Indenture with respect to the Series 2017C Bonds (the “*1/1/23 Event of Default*,” and together with the 7/21-7/22 Events of Default, the “*Series 2017C Events of Default*”). The Series 2017C Events of Default are not Events of Default with respect any of the other Series 2017 Bonds.

The Indenture provides that, upon the occurrence of an Event of Default, the Master Trustee may pursue any available remedy. In addition, Holders of twenty-five percent (25%) or more in aggregate principal amount of the Bonds outstanding may request the Master Trustee to pursue one or more available remedies, provided such requesting Holders also provide satisfactory indemnity to the Master Trustee as set forth in the Indenture. The Master Trustee does not intend to pursue any remedies at this time with respect to the Series 2017C Events of Default. If the Master Trustee hereafter determines to exercise any such remedies, it will so notify the Holders. If the Master Trustee receives written direction from Holders owning the requisite percentage of Series 2017C Bonds, coupled with satisfactory indemnity, the Master Trustee will undertake to determine which actions may be most expedient and in the best interests of Holders, and will further seek advice of counsel with respect to whether such remedies are available, whether such actions may be lawfully be taken, and whether such actions would be unjustly prejudicial to the Holders not parties to such request.

Failure to Make Debt Service Payments on Series 2017D Bonds

In its Notice dated July 29, 2021, January 11, 2022, and July 5, 2022, the Trustee advised Holders that, due to insufficient funds in the Series 2017D Debt Service Fund and Series 2017D Debt Service Reserve Fund, the Master Trustee was unable to make the principal or interest payments that came due on the Series 2017D Bonds on July 1, 2021, January 1, 2022, and July 1, 2022, respectively; and that the failure to make such debt service payments was not an Event of Default under the Indenture with respect to the Series 2017D Bonds or any of the other Series 2017 Bonds.

Due to insufficient funds in the Series 2017D Debt Service Fund and Series 2017D Debt Service Reserve Fund, the Master Trustee was also unable to make the interest payment that came due on the Series 2017D Bonds on January 1, 2023. The failure to make such debt service payments is not an Event of Default under the Indenture with respect to the Series 2017D Bonds or any of the other Series 2017 Bonds.

Failure to Make Debt Service Payments on Series 2017E Bonds

In its Notice dated July 29, 2021, January 11, 2022, and July 5, 2022, the Trustee advised Holders that, due to insufficient funds in the Series 2017E Debt Service Fund and Series 2017E Debt Service Reserve Fund, the Master Trustee was unable to make the interest

payment that came due on the Series 2017E Bonds on July 1, 2021, and January 1, 2022, respectively; and that the failure to make such debt service payment was not an Event of Default under the Indenture with respect to the Series 2017E Bonds or any of the other Series 2017 Bonds.

Due to insufficient funds in the Series 2017E Debt Service Fund and Series 2017E Debt Service Reserve Fund, the Master Trustee was also unable to make the interest payment that came due on the Series 2017E Bonds on January 1, 2023. The failure to make such debt service payment is not an Event of Default under the Indenture with respect to the Series 2017E Bonds or any of the other Series 2017 Bonds.

Application of Funds; Engaged Counsel

Money received by the Master Trustee will be disbursed in accordance with the Indenture, including for payment of the Master Trustee's reasonable fees and for its services rendered under the Indenture and all expenses and advances, including counsel fees and other expenses reasonably and necessarily made or incurred by the Master Trustee in connection with such services; this includes extraordinary fees of the Master Trustee in light of the Series 2017C Events of Default. Pursuant to the Indenture, the Master Trustee has engaged counsel to assist it in the performance of its rights, powers and duties under the Indenture, including, without limitation, with respect to the Series 2017C Events of Default.

Prior Notices

Prior Notices with respect to the Series 2017 Bonds can be found on the Municipal Securities Rulemaking Boards' website, which is www.emma.msrb.org and is commonly known as "EMMA."

Further Communications

The Master Trustee will inform Bondholders as material developments occur. Bondholders with questions about this Notice should direct them in writing to Charles S. (Steve) Hodges, Vice President, U.S. Bank National Association, 5715 Burlington Lane, Olive Branch, MS 38654, or via email: steve.hodges@usbank.com. Bondholders with questions may also contact U.S. Bank by either calling (800) 934-6802, option # 7. The Master Trustee may conclude that a specific response to particular inquiries from individual Bondholders is not consistent with equal and full dissemination of information to all Bondholders. Bondholders should not rely on the Master Trustee as their sole source of information. The Master Trustee makes no recommendations and is not able to provide Bondholders with legal or investment advice under any circumstances. Bondholders should seek the advice of their own legal counsel and/or financial consultants regarding their individual rights under the Indenture and other Bond Documents.

**U.S. Bank Trust Company, National Association,
as Master Trustee**

January 12, 2023

\$24,375,000
Economic Development Growth Engine Industrial Development Board
of the City of Memphis and County of Shelby, Tennessee
Subordinate Tax Increment Revenue Bonds
(Graceland Project)
Series 2017C (Taxable)

CUSIP NUMBER:
58611YAD6

SIGNIFICANT EVENT NOTICE

Pursuant to the Continuing Disclosure Agreement, by and among (i) the Economic Development Growth Engine Industrial Development Board of the City of Memphis and County of Shelby, Tennessee (the “Issuer”) and (ii) MuniCap, Inc. (the “Dissemination Agent”), dated as of November 14, 2017, in connection with the issuance of the Senior Tax Increment Revenue Bonds, Series 2017A (Graceland Project) (Tax-Exempt) (the “Series 2017A Bonds”), the Senior Tax Increment Revenue Bonds, Series 2017B (Graceland Project) (Taxable) (the “Series 2017B Bonds”) and the Subordinate Tax Increment Revenue Bonds, Series 2017C (Graceland Project) (Taxable) (the “Series 2017C Bonds” and, collectively with the Series 2017A Bonds and Series 2017B Bonds, the “Series 2017 Bonds”), the Dissemination Agent is hereby issuing a significant event notice related to the Series 2017C Bonds.

The interest payment that was due on January 1, 2023, with respect to the Series 2017C Bonds was not paid as a result of insufficient funds.

According to U.S. Bank National Association (the “Trustee”), after funding the interest payment due on the Series 2017B Bonds on January 1, 2023, pursuant to Section 1302(e) of the Supplemental Master Trust Indenture No. 4 dated as of October 1, 2017 (the “Fourth Supplemental Indenture”), and funding the Series B Debt Service Reserve Fund to equal to the Series B Debt Service Reserve Requirement pursuant to Section 1302(f) of the Fourth Supplemental Indenture, the remaining balance of the Tourism Surcharge Incentive Payment Sub-Account was \$681,574.35. Pursuant to Section 1302(g) of the Fourth Supplemental Indenture, this amount was transferred to the Series C Debt Service Fund and will be available for future debt service payments.

January 9, 2023

MuniCap, Inc.

\$5,005,000
Economic Development Growth Engine Industrial Development Board
of the City of Memphis and County of Shelby, Tennessee
Subordinate Tax Increment Revenue Bonds
(Graceland Project)
Series 2017D (Taxable)

CUSIP NUMBER:
58611YAH7

SUPPLEMENTAL DISCLOSURE

Pursuant to the Administrative Service Agreement, by and between (i) the Economic Development Growth Engine Industrial Development Board of the City of Memphis and County of Shelby, Tennessee (the “Issuer”) and (ii) MuniCap, Inc. (the “Administrator” or the “Dissemination Agent”), in connection with the issuance of the Senior Tax Increment Revenue Bonds, Series 2017A (Graceland Project) (Tax-Exempt) (the “Series 2017A Bonds”), the Senior Tax Increment Revenue Bonds, Series 2017B (Graceland Project) (Taxable) (the “Series 2017B Bonds”), the Subordinate Tax Increment Revenue Bonds, Series 2017C (Graceland Project) (Taxable) (the “Series 2017C Bonds”) and the Subordinate Tax Increment Revenue Bonds, Series 2017D (Graceland Project) (the “Series 2017D Bonds” and, collectively with the Series 2017A Bonds, Series 2017B Bonds and Series 2017C Bonds, the “Series 2017 Bonds”), the Administrator is hereby issuing the following supplemental disclosure related to the Series 2017D Bonds.

The interest payment that was due on January 1, 2023, with respect to the Series 2017D Bonds was not paid as a result of insufficient funds.

January 9, 2023

MuniCap, Inc.

**Additional Supporting Documents Concerning the
Graceland Bonds, Series 2017**

Provided to Staff of the Tennessee State Funding Board (SFB)

- Response to SFB Staff Inquiry as to the effect of TN Public Chapter 1029 on the Graceland Tourism Development Zone
- Tennessee Public Chapter No. 1029 – Amending “Base Tax Revenue” for the Graceland Tourism Development Zone (TDZ) effective July 1, 2022
- Tennessee Department of Revenue Computations of Distributions to Graceland Tourism Zone – Years 2019 through 2022
- Annual Continuing Disclosure Report for Graceland Bonds, Series A-C, dated July 1, 2022, provided by MuniCap, Inc.

Response to SFB Staff Inquiry:

During the State Funding Board’s staff meeting held on February 8th, 2023, a question was raised as to the effect of PC 1029 on the Graceland TDZ.

Effect of Tennessee Public Chapter 1029 on the Graceland TDZ

The 2018 Wayfair Supreme Court decision resulted in the collection of sales tax from dealers with no physical presence in Tennessee. This caused county-wide sales tax collections to increase because the out-of-state dealers (e.g., Wayfair) now collecting taxes from online sales were not part of the original base amount. Because TDZs largely consist of commercial properties, the TDZ experienced only a slight, if any, increase.

Public Chapter 1029 went into effect on July 1, 2022, and removed the portion of local sales or use tax collected from dealers without a physical presence in Tennessee from the annual calculation of county-wide base year taxes for the TDZs in Shelby County. This amount is calculated each year as: the prior year base amount plus or minus the change in sales tax in the county where the TDZ is located.

With the change in the base year amount for FY 2022, distributions went from a \$0 distribution in 2021 to positive in 2022 (see chart below). FY 2022 was the first year impacted and the distribution for FY 2023 will not be calculated and paid until September 2023; therefore, it is too early to determine if defaults will cease for FY 2023, but the preliminary data is promising.

TDZ Sales Tax Distribution	2019	2020	2021*	PC1029, July 1, 2022	2022
Local TDZ Collections	\$ 1,667,216	\$ 1,407,895	\$ 653,318		\$ 1,711,090
Less: Base Year as Adjusted (Local)	<u>1,039,704</u>	<u>1,196,843</u>	<u>1,568,493</u>		<u>827,967</u>
Local Sales Tax to Distribute**	\$ 627,512	\$ 211,051	\$ (915,175)		\$ 883,124
*Negative amount resulted in a \$0 distribution and is shown for comparison.					
**Amount must be shared with school systems.					



State of Tennessee

PUBLIC CHAPTER NO. 1029

SENATE BILL NO. 2128

By Rose, Akbari

Substituted for: House Bill No. 2392

By Moody, White, Ragan, Towns, Camper

AN ACT to amend Tennessee Code Annotated, Title 4; Title 5; Title 6; Title 7 and Title 8, relative to local government.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

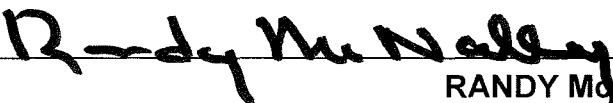
SECTION 1. Tennessee Code Annotated, Section 7-88-103(1), is amended by designating the existing language as subdivision (1)(A) and adding the following as a new subdivision (1)(B):

(B) Notwithstanding subdivision (1)(A), "base tax revenues" for a tourism development zone as defined under subdivision (7)(A)(iii) that is located in a county without a metropolitan form of government and having a population in excess of five hundred thousand (500,000), according to the 2020 federal census or a subsequent federal census, does not include local sales or use taxes collected from dealers with no physical presence in this state.

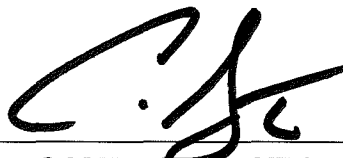
SECTION 2. This act takes effect on July 1, 2022, the public welfare requiring it.

SENATE BILL NO. 2128

PASSED: April 28, 2022



RANDY McNALLY
SPEAKER OF THE SENATE



CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 11th day of May 2022



BILL LEE, GOVERNOR

**COMPUTATION OF DISTRIBUTION TO
GRACELAND TOURISM ZONE
SEPTEMBER 2019**

COMPUTATION OF COUNTY WIDE GROWTH
(food adjusted to 6%)

	FY17 7/1/17-6/30/18	FY19 7/1/18-6/30/19	INCREASE INCREASE (DECREASE)	GROWTH
State Sales Tax	880,848,161.79	911,954,174.31	\$31,106,012.52	
Less: Sports Authority	4,461,158.95	4,633,851.98	\$172,693.03	
Net State Sales Tax	\$876,387,002.84	\$907,320,322.33	\$30,933,319.49	3.5296%
Local Sales Tax	299,416,768.44	322,842,904.63	\$23,426,136.19	
Less: Sports Authority	1,685,404.32	1,742,234.06	\$56,829.74	
Net Local Sales Tax	\$297,731,364.12	\$321,100,670.57	\$23,369,306.45	7.8491%

COMPUTATION OF REQUIRED DISTRIBUTION

STATE SALES TAX

	Gross Tax	Distribution
State Sales Tax in Tourism Zone for Adjusted Base Year (FYE 6-30-19)	\$2,502,022.72	
Growth Factor (see above)	1.035296	
Base Year as Adjusted	\$2,590,335.15	\$2,590,335.15
LESS:		
State Sales Tax Collections in Tourism Zone @ 6.0% for FYE 6-30-19	\$4,486,650.92	\$4,486,650.92
State Sales Tax Collections for food in Tourism Zone for FYE 6-30-19	6,650.00	\$4,493,300.92
State Sales Tax Calculation prior to .5% for Education		1,902,965.77
.5% for Education		0.916667
State Sales Tax to Distribute		1,744,385.92

LOCAL SALES TAX

Local Sales Tax in Tourism Zone for adjusted Base Year	\$964,035.18
Growth Factor (see above)	1.078491
Base Year as Adjusted	\$1,039,703.50
Local Sales Tax Collections in tourism Zone for FYE 6-30-19	1,667,215.63
Local Sales Tax to Distribute	627,512.13

**COMPUTATION OF DISTRIBUTION TO
GRACELAND TOURISM ZONE
SEPTEMBER 2020**

**COMPUTATION OF COUNTY WIDE GROWTH
(food adjusted to 6%)**

	FY19 7/1/18-6/30/19	FY20 7/1/19-6/30/20	INCREASE (DECREASE)	GROWTH
State Sales Tax	911,954,174.31	905,489,286.99	-\$6,464,887.32	
Less: Sports Authority	4,633,851.98	4,318,712.18	-\$315,139.81	
Net State Sales Tax	\$907,320,322.33	\$901,170,574.81	-\$6,149,747.51	-0.6778%
Local Sales Tax	322,842,904.63	371,257,328.16	\$48,414,423.53	
Less: Sports Authority	1,742,234.06	1,625,831.00	-\$116,403.06	
Net Local Sales Tax	\$321,100,670.57	\$369,631,497.16	\$48,530,826.59	15.1139%

COMPUTATION OF REQUIRED DISTRIBUTION

STATE SALES TAX

	Gross Tax	Distribution
State Sales Tax in Tourism Zone for Adjusted Base Year (FYE 6-30-20)	\$2,590,335.15	
Growth Factor (see above)	0.993222	
Base Year as Adjusted	\$2,572,778.06	\$2,572,778.06
LESS:		
State Sales Tax Collections in Tourism Zone @ 6.0% for FYE 6-30-20	\$3,610,190.77	\$3,610,190.77
State Sales Tax Collections for food in Tourism Zone for FYE 6-30-20	5,203.00	\$3,615,393.77
State Sales Tax Calculation prior to .5% for Education		1,042,615.71
.5% for Education		0.916667
State Sales Tax to Distribute		955,731.42

LOCAL SALES TAX

Local Sales Tax in Tourism Zone for adjusted Base Year	\$1,039,703.50
Growth Factor (see above)	1.151139
Base Year as Adjusted	\$1,196,843.23
Local Sales Tax Collections in tourism Zone for FYE 6-30-20	1,407,894.60
Local Sales Tax to Distribute	211,051.37

**COMPUTATION OF DISTRIBUTION TO
GRACELAND TOURISM ZONE
SEPTEMBER 2021**

COMPUTATION OF COUNTY WIDE GROWTH
(food adjusted to 6%)

	FY20 7/1/19-6/30/20	FY21 7/1/20-6/30/21	INCREASE (DECREASE)	GROWTH
State Sales Tax	905,489,286.99	968,405,114.26	\$62,915,827.27	
Less: Sports Authority	4,318,712.18	1,040,986.93	-\$3,277,725.25	
Net State Sales Tax	\$901,170,574.81	\$967,364,127.33	\$66,193,552.52	7.3453%
Local Sales Tax	371,257,328.16	484,879,659.82	\$113,622,331.66	
Less: Sports Authority	1,625,831.00	468,431.41	-\$1,157,399.59	
Net Local Sales Tax	\$369,631,497.16	\$484,411,228.41	\$114,779,731.25	31.0525%

COMPUTATION OF REQUIRED DISTRIBUTION

STATE SALES TAX

	Gross Tax	Distribution
State Sales Tax in Tourism Zone for Adjusted Base Year (FYE 6-30-21)	\$2,572,778.06	
Growth Factor (see above)	1.073453	
Base Year as Adjusted	\$2,761,755.96	\$2,761,755.96
LESS:		
State Sales Tax Collections in Tourism Zone @ 6.0% for FYE 6-30-21	\$1,423,160.44	\$1,423,160.44
State Sales Tax Collections for food in Tourism Zone for FYE 6-30-21		2,589.01
		\$1,425,749.45
State Sales Tax Calculation prior to .5% for Education		(1,336,006.51)
.5% for Education		0.916667
State Sales Tax to Distribute		(1,224,673.08)

LOCAL SALES TAX

Local Sales Tax in Tourism Zone for adjusted Base Year		\$1,196,843.23
Growth Factor (see above)		1.310525
Base Year as Adjusted		\$1,568,492.68
Local Sales Tax Collections in tourism Zone for FYE 6-30-21	653,318.13	
Local Sales Tax to Distribute		(915,174.55)

**COMPUTATION OF DISTRIBUTION TO
GRACELAND TOURISM ZONE
SEPTEMBER 2022**

COMPUTATION OF COUNTY WIDE GROWTH
(food adjusted to 6%)

	FY21 7/1/20-6/30/21	FY22 7/1/21-6/30/22	INCREASE (DECREASE)	GROWTH
State Sales Tax	968,405,114.26	1,066,285,812.61	\$97,880,698.35	
Less: Sports Authority	1,040,986.93	5,432,886.96	\$4,391,900.03	
Net State Sales Tax	\$967,364,127.33	\$1,060,852,925.65	\$93,488,798.31	9.6643%
Local Sales Tax	484,879,659.82	538,632,750.15	\$53,753,090.33	
Less: Sports Authority	468,431.41	2,497,936.96	\$2,029,505.55	
Less Destination Reported Local Option	116,193,494.13	132,492,574.63		
Net Local Sales Tax	\$368,217,734.28	\$403,642,238.56	\$35,424,504.28	9.6205%

COMPUTATION OF REQUIRED DISTRIBUTION

STATE SALES TAX

	<u>Gross Tax</u>	<u>Distribution</u>
State Sales Tax in Tourism Zone for Adjusted Base Year (FYE 6-30-22)	\$2,761,755.96	
Growth Factor (see above)	1.096643	
Base Year as Adjusted	\$3,028,659.85	\$3,028,659.85
LESS:		
State Sales Tax Collections in Tourism Zone @ 6.0% for FYE 6-30-22	\$3,732,297.63	\$3,732,297.63
State Sales Tax Collections for food in Tourism Zone for FYE 6-30-22		6,111.56
		\$3,738,409.19
State Sales Tax Calculation prior to .5% for Education		709,749.34
.5% for Education		0.916667
State Sales Tax to Distribute		650,603.80

LOCAL SALES TAX

Local Sales Tax in Tourism Zone for adjusted Base Year		\$755,302.39
Growth Factor (see above)		1.096205
Base Year as Adjusted		\$827,966.50
Local Sales Tax Collections in tourism Zone for FYE 6-30-22		1,711,090.34
Local Sales Tax to Distribute		883,123.84

**DEVELOPMENT ACTIVITY AND ANNUAL DISCLOSURE REPORT
FOR THE PERIOD ENDING JULY 1, 2022**

**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)**

CUSIP NUMBERS:

58611YAA2

58611YAB0

58611YAC8

\$24,430,000

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

CUSIP NUMBERS:

58611YAE4

58611YAF1

58611YAG9

\$24,375,000

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

CUSIP NUMBER:

58611YAD6

DECEMBER 28, 2022

PREPARED BY:

MUNICAP, INC.

— PUBLIC FINANCE —

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

**ANNUAL DEVELOPMENT ACTIVITY AND
DISCLOSURE REPORT**

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I. UPDATED INFORMATION

The following information is updated from the Annual Continuing Disclosure Report for the period ending July 1, 2021:

- The table below provides a summary of the hotel occupancy, attendance/visitation numbers for all Graceland attractions and the average daily rate charged for the hotel located in Graceland for the calendar quarters ending December 31, 2021, March 31, 2022, June 30, 2022, and September 30, 2022, as reported by the Developer.

Hotel Occupancy and Attendance/Visitation of Graceland Attractions

Hotel Occupancy	4th Q 2021	1st Q 2022	2nd Q 2022	3rd Q 2022
Attendance/Visitation Numbers for all Graceland Attractions	68,961	56,703	110,413	133,627
Average Daily Rate Charged for Hotel Occupancy	\$151.41	\$140.23	\$168.92	\$188.99
Hotel Occupancy	54.50%	44.97%	66.63%	71.88%

- As of July 1, 2022, the funds and accounts are invested in a US Bank Money Market Account-Managed earning between 0.25% and 0.38% per annum.
- According to the County, \$570,472 in TIF Revenues were collected for tax year 2021 which represents 100% of the County TIF Revenues due for tax year 2021.
- The reduction in County TIF Revenues from tax year 2020 to 2021 is due to the change of assessed value of the parcel 078038 00070. According to the County's Assessor's Office, an appeal related to the 4-year reappraisal of the property was filed by the property owner in June 2021. The appeal was granted and the value of the parcel was reduced from \$26,349,880 to \$21,794,120 based on actual 2020 and 2021 hotel revenues.
- The City TIF Revenues remitted to the Trustee related to Tax Year 2021 were \$553,683. According to the County's Assessor's Office, an appeal related to the 4-year reappraisal of parcel 078038 00070 was filed by the property owner in June 2021. The appeal was granted and the value of the parcel was reduced from \$26,349,880 to \$21,794,120 based on actual 2020 and 2021 hotel revenues. Due to this appeal, the actual City TIF Revenues related to Tax Year 2021 should have been \$426,245. As a result, the City over remitted \$127,258 (\$553,683 – \$426,245 = \$127,258) in TIF Revenues for Tax Year 2021.
- According to the City, \$424,050 in TIF Revenues were collected for tax year 2022, which represents 100% of the City TIF Revenues due for tax year 2022. Due to the successful appeal related to Tax Year 2021 noted above, the Tax Year 2022 City TIF Revenues were reduced by \$127,258 to correct the over remittance of City TIF Revenues for Tax Year 2021. Accordingly, \$296,792 (\$424,050 – \$127,258 = \$296,792) in City TIF Revenues for Tax Year 2022 were remitted to the Trustee.

- The Tennessee General Assembly adopted SB 2128 – HB 2392, effective as of July 1, 2022, attached as Exhibit A (the “TDZ Legislation Change”), which amended the definition of “base tax revenues” under the Convention Center and Tourism Development Financing Act for the Graceland Tourist Development Zone (TDZ) to exclude local sales or use taxes collected from dealers with no physical presence in the State. The TDZ Legislation Change is only effective for fiscal year 2022 and thereafter. The local TDZ Revenues remitted to the Trustee for fiscal years 2017 through 2021 are not affected by the TDZ Legislation Change and no adjustment or recalculation of the local TDZ Revenues for these fiscal years will be made. The Adjusted Base Year TDZ Revenues for fiscal year 2017 through 2022 are shown in the table below.

Fiscal Year Ending (June 30th)	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

- The table below shows the actual state and local sales tax collections in Graceland TDZ for fiscal years ending 2017 through 2022. Amounts shown below represent gross collections prior to the reduction of the Adjusted Base Year TDZ Revenues and amounts retained for educational purposes.

Fiscal Year Ending (June 30th)	Sales Tax Collection in Tourism Zone	
	State	Local
2017	\$3,048,220.67	\$1,145,831.51
2018	\$4,219,986.91	\$1,571,565.96
2019	\$4,493,300.92	\$1,667,215.63
2020	\$3,615,393.77	\$1,407,894.60
2021	\$1,425,749.45	\$653,318.13
2022	\$3,738,409.19	\$1,711,090.34

- For the calendar quarters ending December 31, 2021, March 31, 2022, June 30, 2022, and September 30, 2022, the City reported that Tourism Surcharge Revenues in the amount of \$708,214, \$522,102, \$1,061,942, and \$1,194,577, respectively, were collected and remitted to the Trustee.
- The application of the Pledged Revenues to the payment of the Series 2017 Bonds is attached hereto as Appendix A and the funding of the various funds and accounts established under the Indenture is summarized in Section IV, “Trustee Accounts”, of this report.

- According to an Event Filing posted on January 5, 2022, an unscheduled draw on the Series 2017A Debt Service Reserve Fund in the amount of \$514,965 was required to fund the January 3, 2022, interest payment with respect to the Series 2017A Bonds. Following the draw on December 31, 2021, the balance of the Series 2017A Debt Service Reserve fund was \$1,157,911. As of January 3, 2022, this balance was \$646,626 below the Series 2017A Debt Service Reserve Requirement of \$1,804,538.
- According to an Event Filing posted on January 5, 2022, the interest payment in the amount of \$853,125 that was due on January 1, 2022, with respect to the Series 2017C Bonds was not paid as a result of insufficient funds.
- According to an Event Filing posted on July 6, 2022, an unscheduled draw on the Series 2017A Debt Service Reserve Fund in the amount of \$1,153,230 was required to fund the July 1, 2022, interest payment with respect to the Series 2017A Bonds. Following the draw on June 28, 2022, the balance of the Series 2017A Debt Service Reserve fund was \$4,728.54. As of July 1, 2022, this balance was \$1,799,809 below the Series 2017A Debt Service Reserve Requirement of \$1,804,538.
- According to an Event Filing posted on July 6, 2022, the interest payment that was due on July 1, 2022, with respect to the Series 2017C Bonds was not paid as a result of insufficient funds.
- The Supplemental Disclosure posted on May 20, 2022 (the “May 2022 Supplemental Disclosure”) outlined the actual Base Year TDZ Revenues, as adjusted, the actual sales tax collections related to the Graceland TDZ, and the TDZ Revenues remitted to the Trustee for Fiscal Years 2016 through 2021. Additionally, the May 2022 Supplemental Disclosure noted the appeal related to the 4-year reappraisal of parcel 078038 00070, which was filed by the property owner in June 2021. The appeal was granted and the value of the parcel was reduced from \$26,349,880 to \$21,794,120 based on actual 2020 and 2021 hotel revenues., resulting in a decrease in TIF Revenues.
- The Supplemental Disclosure posted on November 23, 2022 (the “November 2022 Supplemental Disclosure”) provided an update to the Base Year TDZ Revenues, as adjusted, pursuant to the TDZ Legislation Change and how the TDZ Legislation Change affected the Local Adjusted Base Year TDZ, the actual sales tax collections related to the Graceland TDZ, and the TDZ Revenues remitted to the Trustee for Fiscal Year 2022.

II. INTRODUCTION

The Economic Development Growth Engine Industrial Development Board of the City of Memphis and County of Shelby, Tennessee (the “Issuer”), a Tennessee public nonprofit corporation and instrumentality of the City of Memphis, Tennessee (the “City”) and the County of Shelby, Tennessee (the “County”) issued, its \$40,490,000 Senior Tax Increment Revenue Bonds, Series 2017A (Graceland Project)(Tax-Exempt)(the “Series 2017A Bonds”), its \$24,375,000 Subordinate Tax Increment Revenue Bonds, Series 2017C (Graceland Project)(Taxable)(the “Series 2017C Bonds”) and its \$24,430,000 Senior Tax Increment Revenue Bonds, Series 2017B (Graceland Project)(Taxable)(the “Series 2017B Bonds” and collectively with the Series 2017A Bonds and the Series 2017C, the “Series 2017 Bonds”) on November 14, 2017. The Series 2017 Bonds are being issued by the Issuer pursuant to the Industrial Development Act, coded as Tennessee Code Annotated (the “T.C.A.”) Section 7-53-101 et seq (the “Act”) and Master Trust Indenture dated as of June 1, 2015; the Supplemental Master Trust No. 2 dated May 1, 2016; Supplemental Master Trust Indenture No. 3 dated as of May 1, 2016; and, Supplemental Master Trust Indenture No. 4, dated as of October 1, 2017 (as so collectively amended and supplemented, the “Indenture”), between the Issuer and U.S. Bank National Association, as master trustee (the “Trustee”).

Pursuant to the Limited Offering Memorandum and the Official Statement, the City, County, and the State pledged certain revenues to the repayment of the Series 2017 Bonds. According to the Limited Offering Memorandum and the Official Statement, the City and County agreed to pledge 50% of all real property and personal property taxes collected within the Graceland Development (the “Plan Area”) above the base amount (the “TIF Revenues”) as described in the Economic Impact Plan approved on December 2, 2014 pursuant to the Act. In addition, the City and State agreed to allocate a portion of the State and local taxes collected on sales within the Plan Area (the “TDZ Revenues”) pursuant to the T.C.A. Section 7-88-101 et seq. (the “TDZ Act”), and pursuant to an application which approved the Graceland Tourism Development Zone (the “Graceland TDZ”) submitted by the City on September 24, 2014 (the “TDZ Application”). According to the Limited Offering Memorandum and Official Statement, the City approved the levy of a 5% surcharge on all sales within a portion of the Plan Area (the “Tourism Surcharge Revenues” and collectively with the TIF Revenues and TDZ Revenues, the “Pledged Revenues”) on May 5, 2015 pursuant to the City Ordinance No. 5583 (the “Surcharge Ordinance”) and in accordance with T.C.A. Section 67-4-3033 (The “Surcharge Act”).

Pursuant to the Limited Offering Memorandum, the Series 2017A Bonds are secured by a first and senior lien on the TIF Revenues and TDZ Revenues only and the Series 2017C Bonds are secured by a second lien on the TIF Revenues and TDZ Revenues. According to the Official Statement, the Series 2017B Bonds are secured by a first and senior lien on the Tourism Surcharge Revenues and a second lien on the TIF Revenues and TDZ Revenues.

Pursuant to the Limited Offering Memorandum and Official Statement, Elvis Presley Enterprises, Inc., a Tennessee corporation (“EPE”), Guest House at Graceland, LLC, a Delaware Limited Liability company, and EPPF, LLC, a Delaware Limited Liability corporation (the “Developer”) created a public-private partnership with the Issuer, City and County to redevelop the Graceland Campus in Memphis. EPE created a Master Plan to redevelop the Campus into three phases. Phase I consists of a 200-seat theater presentation known as the Graceland Archive

Studio/Theater that was completed in August 2014 (“Phase I”). Phase II includes the Guest House at Graceland Hotel that opened in October 2016. The Guest House at Graceland Hotel is considered a four-star full-service hotel with 450 rooms and includes amenities such as an 18,000 square foot ball room/event space, two full-service restaurants, grab-and-go food stations, lobby lounge, resort-style pool with a pool bar, outdoor event center, and a 464-seat theater that hosts major artists. Phase III includes retail and tourist attractions located in the Elvis Presley Memphis Center, which opened in March 2017, (“EPM”). EPM includes a 200,000 square foot attraction space (“Phase III”), including the 20,000 square foot Elvis Entertainer Career Museum, 20,000 square foot Elvis Presley Automobile Museum, 20,000 square foot Graceland sound stage and eight distinct retail shops and two restaurants. In addition, the EPE also operates an 18.6-acre RV and campground park that contributes to the retail revenue.

The Series 2017A Bonds and Series 2017C Bonds were issued to (i) finance the prepayment of a portion of the Issuer’s outstanding Direct Obligation Notes, Series 2015A, dated on or about June 19, 2015 in the principal amount of \$84,000,000 (the “2015 Notes”), (ii) fund the respective Debt Service Funds as provided in the Indenture, (iii) fund the respective Debt Service Reserve Funds as provided in the Indenture, and (iv) pay cost associated with the Series 2017A and Series 2017C Bonds. The Series 2017B Bonds were issued for the purposes of providing funds to (i) finance the prepayment of a portion 2015A Notes, (ii) fund the Series 2017B Debt Service Fund as provided in the Indenture, (iii) fund the Series 2017B Debt Service Reserve Fund as provided in the Indenture, and (iv) pay the costs of issuance related to the Series 2017B Bonds.

This information provided herein is not intended to supplement or otherwise relate to the information provided in the Limited Offering Memorandum and the Official Statement and any such expressly disavowed. Rather, this report responds to the specific requirements of the Issuer’s Continuing Disclosure Agreement.

No representation is made as to the materiality or completeness of the information provided herein or as to whether other relevant information exists with respect to the period covered by this report that may be material. All information is provided as of July 1, 2022, unless otherwise stated, and no representation is made that the information contained in this report is indicative of information that may pertain since the end of the period covered by this report or in the future.

III. DEVELOPMENT ACTIVITY

A. OVERVIEW

According to both the Limited Offering Memorandum and the Official Statement, the Development includes three phases. Phase I includes the Graceland Archive Studio/Theater (completed and opened in August of 2014). Phase II includes the Guesthouse at Graceland Hotel (completed and opened in October of 2016). Phase III includes retail and attraction upgrades to EPM (completed and opened on March 2, 2017). In addition to Phase I through III, according to the Developer, EPE completed Phase IV of its expansion, opening an 80,000 square foot facility known as the Graceland Exhibition Center in June of 2019. The facility includes four 10,000 square foot exhibition spaces and 40,000 square feet of restaurant, bar, and entertainment space, including a commercial catering kitchen. Exhibit A at the end of this section includes photos of the completed Phase I, Phase II, and Phase III development.

B. HOTEL OCCUPANCY AND ATTENDANCE

Table III-1 below provides a summary of the hotel occupancy, attendance/visitation numbers for all Graceland attractions and the average daily rate charged for the hotel located in Graceland for the calendar quarters ending December 31, 2021, March 31, 2022, June 30, 2022, and September 30, 2022, as reported by the Developer.

Table III-1
Hotel Occupancy and Attendance/Visitation of Graceland Attractions

	4th Q	1st Q	2nd Q	3rd Q
	2021	2022	2022	2022
Hotel Occupancy				
Attendance/Visitation Numbers for all Graceland Attractions	68,961	56,703	110,413	133,627
Average Daily Rate Charged for Hotel Occupancy	\$151.41	\$140.23	\$168.92	\$188.99
Hotel Occupancy	54.50%	44.97%	66.63%	71.88%

Exhibit A
Photographs of the Graceland Development



Graceland Mansion
Elvis Presley Blvd.

- Built in 1939



Graceland Archive Studio/Theater
Elvis Presley Blvd.
(Phase I)

- Opened August 2014
- 200-seat theater



Guest House at Graceland
3600 Elvis Presley Blvd.
(Phase II)

- Opened October 2016
- 450 Rooms



Graceland Retail Center (EPM)
Elvis Presley Blvd.
(Phase III)

- Opened on March 2, 2017
- 220,000 square feet

IV. TRUSTEE ACCOUNTS

The Trustee for the Series 2017 Bonds is U.S. Bank National Association. Table IV-1 below shows the balance of the Series 2017 accounts as of July 1, 2021, investment income, additional proceeds, transfers, disbursements, and the account balance as of July 1, 2022.

**Table IV-1
Fund Balances**

Account/Fund	Balance as of 07/01/2021	Investment Income	Additional Proceeds	Transfers	Disburse- ments	Current Balance as of 07/01/2022
Pledged Payment Fund	\$41	\$0	\$1,423,451	(\$1,423,493)	\$0	\$0
TIF Incentive Payment Sub-Account	\$0	\$4	\$0	(\$4)	\$0	\$0
TDZ Incentive Payment Sub-Account	\$0	\$0	\$0	\$0	\$0	\$0
Tourism Surcharge Incentive Payment Sub-Account	\$0	\$109	\$2,604,934	(\$2,583,919)	\$21,125	\$0
TIF Payment Sub-Account (Surplus Fund)	\$0	\$0	\$0	\$0	\$0	\$0
TDZ Payment Sub-Account (Surplus Fund)	\$13	\$0	\$0	(\$13)	\$0	\$0
Tourism Surcharge Payment Sub-Account (Surplus Fund)	\$0	\$0	\$0	\$0	\$0	\$0
Series A Debt Service Fund	\$1,530,927	\$3	\$0	\$2,836,946	\$2,644,169	\$1,723,706
Series A Debt Service Reserve Fund	\$1,717,306	\$154	\$0	(\$1,712,732)	\$0	\$4,729
Series B Debt Service Fund	\$498,360	\$2	\$0	\$2,275,649	\$1,686,278	\$1,087,734
Series B Debt Service Reserve Fund	\$1,697,273	\$136	\$0	\$607,566	\$0	\$2,304,975
Series C Debt Service Fund	\$3	\$0	\$0	\$0	\$0	\$3
Series C Debt Service Reserve Fund	\$0	\$3	\$0	\$0	\$0	\$3
Series D Debt Service Fund	\$0	\$0	\$0	\$0	\$0	\$0
Series D Debt Service Reserve Fund	\$14,696	\$2	\$0	\$0	\$0	\$14,698
Series E Debt Service Fund	\$0	\$0	\$0	\$0	\$0	\$0
Series E Debt Service Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0
Project Fund	\$0	\$0	\$0	\$0	\$0	\$0
Surplus Fund	\$0	\$0	\$0	\$0	\$0	\$0
Rebate Fund	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$5,458,620	\$413	\$4,028,385	\$0	\$4,351,571	\$5,135,847

Pledged Payment Fund:

- Additional proceeds to the Pledged Payment Fund represent Tourism Surcharge Revenues collected by the City related to the periods ending December 31, 2021, March 31, 2022, and April 30, 2022, in an aggregate amount of \$852,979 (remitted to the Trustee in February 2022, May 2022, and June 2022, respectively) and County TIF Revenues collected by Shelby County for tax year 2021 in the amount of \$570,472.
- Transfers from the Pledged Payment Fund represent the transfer of TIF Revenues related to Fiscal Year Ending June 30, 2018 in the amount of \$17.51 and investment income transferred to the Series 2017 A Debt Service Fund pursuant to Section 1302(c) of the Fourth Supplemental Indenture, Tourism Surcharge Revenues transferred to the Tourism Surcharge Incentive Payment Sub-Account, and County TIF Revenues transferred to the TIF Incentive Payment Sub-Account.

TIF Incentive Payment Sub-Account:

- Transfers to the TIF Incentive Payment Sub-Account represent the transfer of City TIF Revenues related to fiscal year 2021 which were erroneously deposited to and transferred from the Tourism Surcharge Incentive Payment Sub-Account and County TIF Revenues related to fiscal year 2021 transferred from the Pledged Payment Fund.
- Transfers from the TIF Incentive Payment Sub-Account represent the transfer of TIF Revenues to the Series A Debt Service Fund.

Tourism Surcharge Incentive Payment Sub-Account:

- Additional proceeds to the Tourism Surcharge Incentive Payment Sub-Account represent the receipt of Tourism Surcharge Revenues collected by the City for the periods ending May 31, 2021 through November 30, 2021, (remitted to the Trustee in July 2021 through January 2022) and for the periods ending January 31, 2022 through February 28, 2022, (remitted to the Trustee in March 2022 through April 2022) and City TIF Revenues erroneously deposited into the Tourism Surcharge Incentive Payment Sub-Account.
- Transfers to the Tourism Surcharge Incentive Payment Sub-Account represent Tourism Surcharge Revenues related to the periods ending December 31, 2021, March 31, 2022, and April 30, 2022, in an aggregate amount of \$852,979 (remitted to the Trustee in February 2022, May 2022, and June 2022, respectively) transferred from the Pledged Payment Fund.
- Transfers from the Tourism Surcharge Incentive Payment Sub-Account represent the transfer of City TIF Revenues transferred to the TIF Incentive Payment Sub-Account, Tourism Surcharge Revenues transferred to the Series B Debt Service Fund, and Tourism Surcharge Revenues transferred to the Series B Debt Service Reserve Fund to replenish the Series B Debt Service Reserve Requirement.
- Disbursements from the Tourism Surcharge Incentive Payment Sub-Account represent Tourism Surcharge Revenues and investment income for the payment of administrative expenses.

TDZ Payment Sub-Account (Surplus Fund):

- Transfers from the TDZ Payment Sub-Account (Surplus Fund) represent investment income transferred to the Series A Debt Service Fund.

Series A Debt Service Fund:

- Transfers to the Series A Debt Service Fund represent transfers of TIF Revenues from the TIF Incentive Payment Sub-Account, investment income from the TDZ Payment Sub-Account (Surplus Fund), TIF Revenues related to Fiscal Year Ending June 30, 2018, in the amount of \$17.51 and investment income from the Pledged Payment Fund, and draws on the Series A Debt Service Reserve Fund requirement from the Series A Debt Service Reserve Fund.
- Disbursements from the Series A Debt Service Fund represent the payment of debt service for the Series 2017A Bonds due on July 1, 2021, and January 1, 2022.

Series A Debt Service Reserve Fund:

- Transfers from the Series A Debt Service Reserve Fund represent draws on the Series A Debt Service Reserve Fund requirement transferred to the Series A Debt Service Fund for the payment of debt service on the Series 2017A Bonds on July 1, 2021, January 1, 2022, and July 1, 2022.

Series B Debt Service Fund:

- Transfers to the Series B Debt Service Fund represent Tourism Surcharge Revenues from the Tourism Surcharge Incentive Payment Sub-Account, and draws on the Series B Debt Service Reserve Fund requirement from the Series B Debt Service Reserve Fund for the payment of debt service.
- Disbursements from the Series B Debt Service Fund represent the payment of debt service on the Series 2017B Bonds due on July 1, 2021, and January 1, 2022.

Series B Debt Service Reserve Fund:

- The transfer from the Series B Debt Service Reserve Fund represents a draw on the Series B Debt Service Reserve Fund requirement transferred to the Series B Debt Service Fund for the payment of debt service on the Series 2017B Bonds on July 1, 2021.
- Transfers to the Series B Debt Service Reserve Fund represent Tourism Surcharge Revenues transferred from the Tourism Surcharge Revenue Sub-Account to replenish the Series B Debt Service Reserve Fund requirement.

Table IV-2 on the following page shows the rates of return on the investments as of July 1, 2022. The funds and accounts are invested in a US Bank Money Market Account-Managed earning between 0.25% and 0.38% per annum as of July 1, 2022.

Table IV-2
Rates of Return

Account/Fund	Rates of Return
Series A Debt Service Reserve Fund	0.25%
Series B Debt Service Fund	0.25%
Series B Debt Service Reserve Fund	0.25%
Series C Debt Service Fund	0.29%
Series C Debt Service Reserve Fund	0.38%
Series D Debt Service Reserve Fund	0.25%

Interest earned or any profit realized from the investment of money in the Series A Debt Service Reserve Fund, Series B Debt Service Reserve Fund, Series C Debt Service Reserve Fund, and Series D Debt Service Reserve Fund, shall be transferred to the Series A Debt Service Fund, Series B Debt Service Fund, Series C Debt Service Fund, and Series D Debt Service Fund, respectively, as long as the balance in the respective Debt Service Reserve Fund is at least equal to the Debt Service Reserve Fund Requirement. Interest earned on the Series A Debt Service Fund, Series B Debt Service Fund, Series C Debt Service Fund, Series D Debt Service Fund, and Series E Debt Service Fund shall become a part of such fund and applied pursuant to the Indenture. Interest earned on and any profit realized from the investment of money in the Pledged Payment Fund, TIF Incentive Payment Sub-Account, TDZ Incentive Payment Sub-Account, and Tourism Surcharge Incentive Payment Sub-Account will be disbursed as described pursuant to Article Thirteen of the Indenture.

V. DISTRICT FINANCIAL INFORMATION

This section of the Annual Report includes information related to TIF Revenues, Tourism Surcharge Revenues, and TDZ Revenues that were collected and remitted to the Trustee. It should be noted that the revenues reported in this section include Tourism Surcharge Revenues and TDZ Revenues collected by the State of Tennessee and City of Memphis for sales occurring in March 2020 through December 2020, which were impacted by the COVID-19 pandemic. Please refer to the *Graceland – Quarterly Reports for Quarter Ended 6-30-2020 and Supplemental Disclosure RE COVID* dated July 30, 2020, (the “Voluntary Disclosure”) that was posted to the MSRB’s “EMMA” website on July 30, 2020, for further information related to the impacts of COVID-19 on Tourism Surcharge Revenues and TDZ Revenues and the related executive orders issued by Tennessee and City of Memphis.

The information provided in this section is intended to meet the requirements for the Annual Report as provided for in Section 3 of the Issuer’s Continuing Disclosure Agreement. The items below are in the same format and order as the items required for the Annual Report as listed in the Issuer’s Continuing Disclosure Agreement.

All information in this section is provided as of July 1, 2022, unless otherwise stated.

A. STATUS OF TIF REVENUE COLLECTIONS

City tax bills are sent to taxpayers in July of each year and are due on August 31st of that year, and County tax bills are sent to taxpayers on September 15th of each year and are due on February 28th of the following year. Table V-1 on the following page provides a summary of the City and County TIF Revenues collected and remitted to the Trustee for tax years 2017, 2018, 2019, 2020, 2021, and 2022.

Table V-1
TIF Revenue Collections

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 ⁽¹⁾	\$546,858	\$728,917	\$1,275,775
2020	\$581,725	\$775,557	\$1,357,282
2021	\$553,683 ⁽²⁾	\$570,472 ⁽⁴⁾	\$1,124,155
2022	\$296,792 ⁽³⁾	-	\$424,050
Total	\$3,015,643	\$3,418,594	\$6,561,496

⁽¹⁾ An additional \$32,856 in tax year 2019 TIF Revenues were received by the City in March 2020. This amount was remitted to the Trustee in December 2020.

⁽²⁾ The City TIF Revenues remitted to the Trustee related to Tax Year 2021 were \$553,683. According to the County’s Assessor’s Office, an appeal related to the 4-year reappraisal of parcel 078038 00070 was filed by the property owner in June 2021. The appeal was granted and the value of the parcel was reduced from \$26,349,880 to \$21,794,120 based on actual 2020 and 2021 hotel revenues. Due to this appeal, the actual City TIF Revenues related to Tax Year 2021 should have been \$426,245. As a result, the City over remitted \$127,258 (\$553,683 – \$426,245 = \$127,258) in TIF Revenues for Tax Year 2021.

⁽³⁾ The City TIF Revenues related to Tax Year 2022 were \$424,050. Due to the successful appeal related to Tax Year 2021 noted above, the Tax Year 2022 City TIF Revenues were reduced by \$127,258 to correct the over remittance of City TIF Revenues for Tax Year 2021. Accordingly, \$296,792 (\$424,050 – \$127,258 = \$296,792) in City TIF Revenues for Tax Year 2022 were remitted to the Trustee.

⁽⁴⁾ The reduction in County TIF Revenues from tax year 2020 to 2021 is due to the change of assessed value of the parcel 078038 00070. According to the County’s Assessor’s Office, an appeal related to the 4-year reappraisal of the property was filed by the property owner in June 2021. The appeal was granted and the value of the parcel was reduced from \$26,349,880 to \$21,794,120 based on actual 2020 and 2021 hotel revenues.

B. STATUS OF TDZ REVENUE COLLECTIONS

The amount of TDZ Revenues allocated to the City as result of state and local sales tax collections in the Graceland TDZ is calculated on an annual basis in the following manner: the State allocates to the City an amount equal to the incremental increase in (a) state and local sales tax collections in the Graceland TDZ in the then-current fiscal year over (b) state and local sales tax collections in the Graceland TDZ in the State’s fiscal year ended June 30, 2014 (the “Base Year”), as adjusted.

Base Year TDZ Revenues

The “Base Year TDZ Revenues” represents the state and local sales tax collections in the Graceland TDZ as of June 30, 2014 (the “Base Year TDZ Revenues”). The Base Year TDZ Revenues are adjusted up or down each year in proportion to the percentage increase or decrease in state and local sales tax collections in the Graceland TDZ from the prior year (the “Adjusted Base Year TDZ Revenues”).

The Tennessee General Assembly adopted SB 2128 – HB 2392, effective as of July 1, 2022, attached as Exhibit B (the “TDZ Legislation Change”), which amended the definition of “base tax revenues” under the Convention Center and Tourism Development Financing Act for the Graceland

Tourist Development Zone (TDZ) to exclude local sales or use taxes collected from dealers with no physical presence in the State.

The TDZ Legislation Change is only effective for fiscal year 2022 and thereafter. The local TDZ Revenues remitted to the Trustee for fiscal years 2017 through 2021 are not affected by the TDZ Legislation Change and no adjustment or recalculation of the local TDZ Revenues for these fiscal years will be made.

The Adjusted Base Year TDZ Revenues for fiscal year 2017 through 2022 are shown in Table V-2 below.

Table V-2
Adjusted Base Year TDZ Revenues

Fiscal Year Ending (June 30th)	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

If the TDZ Legislative Change had not occurred, the Adjusted Base Year TDZ Revenues for Local sales taxes for fiscal year 2022 would have been \$1,735,970.35.

Actual Sales Tax Collection in Graceland TDZ

Table V-3 below shows the actual state and local sales tax collections in Graceland TDZ for fiscal years ending 2017 through 2022. Amounts shown below represent gross collections prior to the reduction of the Adjusted Base Year TDZ Revenues and amounts retained for educational purposes.

Table V-3
Actual Sales Tax Collection in TDZ

Fiscal Year Ending (June 30th)	Sales Tax Collection in Tourism Zone	
	State	Local
2017	\$3,048,220.67	\$1,145,831.51
2018	\$4,219,986.91	\$1,571,565.96
2019	\$4,493,300.92	\$1,667,215.63
2020	\$3,615,393.77	\$1,407,894.60
2021	\$1,425,749.45	\$653,318.13
2022	\$3,738,409.19	\$1,711,090.34

TDZ Revenues Remitted to the Trustee

Table V-4 below provides a summary of the TDZ Revenues, including the State and local portion, for the fiscal years ending 2017 through 2022 that were remitted to the Trustee. State TDZ Revenue amounts shown below are net of the Base Year TDZ Revenues related to the State TDZ Revenues, and amounts retained for education. Local TDZ Revenue amounts shown below are net of the Base Year TDZ Revenues related to the Local TDZ Revenues, 50% of the amount is retained by the State for Shelby County school districts, 1.125% is retained by the State for fees, and 1% is retained by the County for Shelby County Trustee fees.

Table V-4
TDZ Revenue Collections

Fiscal Year	State TDZ Revenues	Local TDZ Revenues	Total TDZ Revenues
30-Jun-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-Jun-20 ⁽¹⁾	\$955,731	\$211,660	\$1,167,391
30-Jun-21 ⁽¹⁾⁽²⁾	\$0	\$0	\$0
30-Jun-22	\$650,307	\$326,398 ⁽³⁾	\$976,705
Total	\$5,474,200	\$1,339,337	\$6,813,537

⁽¹⁾ Represents TDZ Revenues impacted by the COVID-19 pandemic. Please refer to the Voluntary Disclosure for further information related to the impacts of COVID-19 on TDZ Revenues and the related executive orders issues by the State of Tennessee and City of Memphis.

⁽²⁾ As reported in the Supplemental Disclosure posted on December 14, 2021 (the “December 2021 Supplemental Disclosure”), as of December 3, 2021, the U.S. Bank National Association (the “Trustee”) reported that the TDZ Revenues, which are generally remitted to the Trustee in September of each year, were not received for Fiscal Year ending June 30, 2021. According to the Issuer, State and local TDZ Revenues generated for Fiscal Year ending June 30, 2021 were less than the base year as adjusted for Fiscal Year ending June 30, 2021. Accordingly, no TDZ Revenues were required to be distributed to the Trustee for Fiscal Year ending June 30, 2021.

⁽³⁾ 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.

C. STATUS OF TOURISM SURCHARGE REVENUE COLLECTIONS

Table V-5 on the following page provides a summary of the Tourism Surcharge Revenues collected by the City for the calendar quarters ending December 31, 2021, March 31, 2022, June 30, 2022, and September 30, 2022. As shown in the table on the following page, the City reports that Tourism Surcharge Revenues in the amount of \$708,214, \$522,102, \$1,061,942, and \$1,194,577 were collected for the calendar quarters ending December 31, 2021, March 31, 2022, June 30, 2022, and September 30, 2022, respectively.

Table V-5
Tourism Surcharge Revenues Collected

Month Collected ⁽¹⁾	Tourism Surcharge Revenues ⁽²⁾
Fourth Quarter 2021:	
October	\$279,037
November	\$210,684
December	\$218,493
<i>Sub-total 4Q 2021</i>	
<i>\$708,214</i>	
First Quarter 2022:	
January	\$97,013
February	\$134,380
March	\$290,708
<i>Sub-total 1Q 2022</i>	
<i>\$522,102</i>	
Second Quarter 2022:	
April	\$343,778
May	\$373,030
June	\$345,134
<i>Sub-total 2Q 2022</i>	
<i>\$1,061,942</i>	
Third Quarter 2022:	
July	\$423,441
August	\$376,276
September	\$394,860
<i>Sub-total 3Q 2022</i>	
<i>\$1,194,577</i>	
Total	
\$3,486,835	

⁽¹⁾ There is a three-month lag between the month collected and when the Tourism Surcharge Revenues are received by the Trustee.

⁽²⁾ Information provided by the City.

D. APPLICATION OF THE PLEDGED REVENUES

The chart showing the application of the TIF Revenues, the TDZ Revenues, and the Tourism Surcharge Revenues to the payment of the Series 2017 Bonds and the funding of the various funds and accounts established under the Indenture is attached hereto as Appendix A, as supplemented by Section IV, “Trustee Accounts,” of this report.

E. BALANCE OF FUNDS AND ACCOUNTS

The fund balances of all funds and accounts held by the Trustee as of July 1, 2022, are shown in Section IV, “Trustee Accounts,” of this report.

F. REAL AND PERSONAL PROPERTY TAX BILL DELINQUENCIES AND COLLECTIONS OF PAST DUE TAX BILLS

As of July 1, 2022, there have been no delinquencies or collections of past due tax bills for real or personal properties within the Plan Area.

G. SALES TAX AND/OR SURCHARGE TAX PAYMENT DELINQUENCIES AND COLLECTIONS OF DELINQUENT SALES AND SURCHARGE TAXES

As of the July 1, 2022, there have been no delinquencies or collections of past due delinquent sales and/or surcharge taxes within the Plan Area.

H. CASUALTY EVENTS

The Issuer has no known knowledge of any casualty event that could be expected to have a material adverse effect on the future value of real property within the Plan Area.

I. LEGAL FILINGS OF THE OWNER/OPERATOR OF THE DEVELOPMENT

The Issuer has no known knowledge of any legal filing to the solvency of the owner and/or operator of the Development, as defined in the Official Statement, or the continued operations at the Development as of the date of this report.

VI. SIGNIFICANT EVENT NOTICES

A. ISSUER'S LISTED EVENTS:

Pursuant to the Issuer's Continuing Disclosure Agreement, listed events include the following:

- i. principal and interest payment delinquencies;
- ii. non-payment related defaults, if material;
- iii. unscheduled draws on any debt service reserves reflecting financial difficulties;
- iv. unscheduled draws on any credit enhancements reflecting financial difficulties;
- v. substitutions of credit or liquidity providers, or their failure to perform;
- vi. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2017A Bonds, or other material events affecting the tax status of the Series 2017A Bonds;
- vii. modifications to rights of holders of the Series 2017 Bonds, if material;
- viii. bond calls, if material, and tender offers;
- ix. defeasances;
- x. release, substitution or sale of property securing repayment of the Series 2017 Bonds, if material;
- xi. rating changes;
- xii. bankruptcy, insolvency, receivership or similar event of the Obligated Person (of the type described in the Note to Paragraph (b)(5)(i)(C) (12) of the Rule);
- xiii. the consummation of a merger, consolidation, or acquisition involving the Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- xiv. appointment of a successor or additional trustee or the change of name of a trustee, if material.

According to an Event Filing posted on January 5, 2022, an unscheduled draw on the Series 2017A Debt Service Reserve Fund in the amount of \$514,965 was required to fund the January 3, 2022, interest payment with respect to the Series 2017A Bonds. Following the draw on December 31, 2021, the balance of the Series 2017A Debt Service Reserve fund was \$1,157,911. As of January 3, 2022, this balance was \$646,626 below the Series 2017A Debt Service Reserve Requirement of \$1,804,538.

According to an Event Filing posted on January 5, 2022, the interest payment in the amount of \$853,125 that was due on January 1, 2022, with respect to the Series 2017C Bonds was not paid as a result of insufficient funds.

According to an Event Filing posted on July 6, 2022, an unscheduled draw on the Series 2017A Debt Service Reserve Fund in the amount of \$1,153,230 was required to fund the July 1, 2022, interest payment with respect to the Series 2017A Bonds. Following the draw on June 28, 2022, the balance of the Series 2017A Debt Service Reserve fund was \$4,728.54. As of July 1, 2022, this balance was \$1,799,809 below the Series 2017A Debt Service Reserve Requirement of \$1,804,538.

According to an Event Filing posted on July 6, 2022, the interest payment that was due on July 1, 2022, with respect to the Series 2017C Bonds was not paid as a result of insufficient funds.

B. DEVELOPER'S SIGNIFICANT EVENTS:

Pursuant to the Developer Continuing Disclosure Agreement, Developer significant events include the following:

- i. description of any tax bill delinquencies and collections of past due tax bills for real or personal properties within the Plan Area;
- ii. description of all sales tax and/or surcharge tax payment delinquencies and collections related to delinquent sales and surcharge taxes within the Plan Area;
- iii. any casualty event then known to the Developer that could be expected to have a material adverse effect on the future value of real property within the Plan Area; and
- iv. any legal filing then known to the Developer related to the solvency of the owner and/or operator of the Development or the continues operations at the Development.

The Administrator is not aware of the occurrence of any Developer significant events as of the date of this report.

C. SUPPLEMENTAL DISCLOSURES:

The Supplemental Disclosure posted on May 20, 2022 (the "May 2022 Supplemental Disclosure") outlined the actual Base Year TDZ Revenues, as adjusted, the actual sales tax collections related to the Graceland TDZ, and the TDZ Revenues remitted to the Trustee for Fiscal Years 2016 through 2021. Additionally, the May 2022 Supplemental Disclosure noted the appeal

related to the 4-year reappraisal of parcel 078038 00070, which was filed by the property owner in June 2021. The appeal was granted and the value of the parcel was reduced from \$26,349,880 to \$21,794,120 based on actual 2020 and 2021 hotel revenues., resulting in a decrease in TIF Revenues.

The Supplemental Disclosure posted on November 23, 2022 (the “November 2022 Supplemental Disclosure”) provided an update to the Base Year TDZ Revenues, as adjusted, pursuant to the TDZ Legislation Change and how the TDZ Legislation Change affected the Local Adjusted Base Year TDZ, the actual sales tax collections related to the Graceland TDZ, and the TDZ Revenues remitted to the Trustee for Fiscal Year 2022.

Exhibit B
TDZ Legislation Change



State of Tennessee

PUBLIC CHAPTER NO. 1029

SENATE BILL NO. 2128

By Rose, Akbari

Substituted for: House Bill No. 2392

By Moody, White, Ragan, Towns, Camper

AN ACT to amend Tennessee Code Annotated, Title 4; Title 5; Title 6; Title 7 and Title 8, relative to local government.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 7-88-103(1), is amended by designating the existing language as subdivision (1)(A) and adding the following as a new subdivision (1)(B):

(B) Notwithstanding subdivision (1)(A), "base tax revenues" for a tourism development zone as defined under subdivision (7)(A)(iii) that is located in a county without a metropolitan form of government and having a population in excess of five hundred thousand (500,000), according to the 2020 federal census or a subsequent federal census, does not include local sales or use taxes collected from dealers with no physical presence in this state.

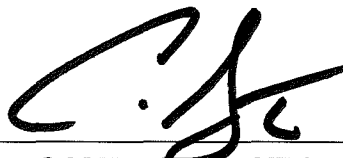
SECTION 2. This act takes effect on July 1, 2022, the public welfare requiring it.

SENATE BILL NO. 2128

PASSED: April 28, 2022



RANDY McNALLY
SPEAKER OF THE SENATE



CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 11th day of May 2022



BILL LEE, GOVERNOR

Appendix A-1(a): Application of TIF Revenues through July 1, 2022

Available Funds:	
TIF Incentive Payment Sub-Account balance as of July 1, 2021	\$0.00
Investment income earned through July 1, 2022	\$4.48
City TIF Revenues received through July 1, 2022	\$553,683.02
County TIF Revenues received through July 1, 2022	\$570,472.34
Total available funds	\$1,124,159.84
Application of Available Funds:	
January 1, 2022 Interest Payment Date:	
Rebate Fund	\$0.00
Administrative Expenses	\$0.00
Series A Debt Service Fund	\$553,686.13
Series A Debt Service Reserve Fund	\$0.00
Series B Debt Service Fund	\$0.00
Series B Debt Service Reserve Fund	\$0.00
Series C Debt Service Fund	\$0.00
Series C Debt Service Reserve Fund	\$0.00
Series D Debt Service Fund	\$0.00
Series D Debt Service Reserve Fund	\$0.00
Series E Debt Service Fund	\$0.00
Surplus Fund	\$0.00
<i>Sub-total of January 1, 2022 Interest Payment Date</i>	<i>\$553,686.13</i>
July 1, 2022 Interest Payment Date:	
Rebate Fund	\$0.00
Administrative Expenses	\$0.00
Series A Debt Service Fund	\$570,473.71
Series A Debt Service Reserve Fund	\$0.00
Series B Debt Service Fund	\$0.00
Series B Debt Service Reserve Fund	\$0.00
Series C Debt Service Fund	\$0.00
Series C Debt Service Reserve Fund	\$0.00
Series D Debt Service Fund	\$0.00
Series D Debt Service Reserve Fund	\$0.00
Series E Debt Service Fund	\$0.00
Surplus Fund	\$0.00
<i>Sub-total of July 1, 2022 Interest Payment Date</i>	<i>\$570,473.71</i>
Remaining balance in the TIF Incentive Payment Sub-Account as of July 1, 2022	\$0.00

Appendix A-1(b): Application of TDZ Revenues through July 1, 2022

Available Funds:	
TDZ Incentive Payment Sub-Account balance as of July 1, 2021	\$0.00
Investment income earned on the TDZ Incentive Payment Sub-Account through July 1, 2022	\$0.00
State TDZ Revenues received through July 1, 2022 ⁽¹⁾	\$0.00
Local TDZ Revenues received through July 1, 2022 ⁽¹⁾	\$0.00
Total available funds	\$0.00
Application of Available Funds:	
January 1, 2022 Interest Payment Date:	
Rebate Fund	\$0.00
Administrative Expense Fund	\$0.00
Series A Debt Service Fund	\$0.00
Series A Debt Service Reserve Fund	\$0.00
Series B Debt Service Fund	\$0.00
Series B Debt Service Reserve Fund	\$0.00
Series C Debt Service Fund	\$0.00
Series C Debt Service Reserve Fund	\$0.00
Series D Debt Service Fund	\$0.00
Series D Debt Service Reserve Fund	\$0.00
Series E Debt Service Fund	\$0.00
Surplus Fund	\$0.00
<i>Sub-total of January 1, 2022 Interest Payment Date</i>	<i>\$0.00</i>
July 1, 2022 Interest Payment Date:	
Rebate Fund	\$0.00
Administrative Expenses	\$0.00
Series A Debt Service Fund	\$0.00
Series A Debt Service Reserve Fund	\$0.00
Series B Debt Service Fund	\$0.00
Series B Debt Service Reserve Fund	\$0.00
Series C Debt Service Fund	\$0.00
Series C Debt Service Reserve Fund	\$0.00
Series D Debt Service Fund	\$0.00
Series D Debt Service Reserve Fund	\$0.00
Series E Debt Service Fund	\$0.00
Surplus Fund	\$0.00
<i>Sub-total of July 1, 2022 Interest Payment Date</i>	<i>\$0.00</i>
Remaining balance in the TDZ Incentive Payment Sub-Account as of July 1, 2022	\$0.00

⁽¹⁾ The City of Memphis, Tennessee (the “City”) and the State of Tennessee (the “State”) agreed to allocate a portion of the State and local taxes collected on sales within the Graceland Development (the “TDZ Revenues”) pursuant to the Tennessee Code Annotated (the “T.C.A.”) Section 7-88-101 et seq. (the “TDZ Act”). As of December 3, 2021, the U.S. Bank National Association (the “Trustee”) reported that the TDZ Revenues, which are generally remitted to the Trustee in September of each year, were not received for Fiscal Year end June 30, 2021. According to the Issuer, State and local TDZ Revenues generated for Fiscal Year ending June 30, 2021 were less than the base year as adjusted for Fiscal Year ending June 30, 2021. Accordingly, no TDZ Revenues were required to be distributed to the Trustee for Fiscal Year ending June 30, 2021.

Appendix A-1(c): Application of Tourism Surcharge Revenues through July 1, 2022

Available Funds:	
Tourism Surcharge Incentive Payment Sub-Account balance as of July 1, 2021	\$0.00
Investment income earned through July 1, 2022	\$109.42
Tourism Surcharge Revenues received by the trustee from July 2021 (May 2021 revenues) through June 2022 (April 2022 revenues)	\$2,904,230.02
Total available funds	\$2,904,339.44
Application of Available Funds:	
January 1, 2022 Interest Payment Date:	
Administrative Expenses	\$18,343.54
Series B Debt Service Fund	\$607,733.43
Series B Debt Service Reserve Fund	\$372,767.31
Series C Debt Service Fund	\$0.00
Series C Debt Service Reserve Fund	\$0.00
Series D Debt Service Fund	\$0.00
Series D Debt Service Reserve Fund	\$0.00
Series E Debt Service Fund	\$0.00
Surplus Fund for the payment of interest on the Series 2016 Bonds	\$0.00
<i>Sub-total of January 1, 2022 Interest Payment Date</i>	<i>\$998,844.28</i>
July 1, 2022 Interest Payment Date:	
Administrative Expenses	\$2,781.25
Series B Debt Service Fund	\$1,087,731.92
Series B Debt Service Reserve Fund	\$814,981.99
Series C Debt Service Fund	\$0.00
Series C Debt Service Reserve Fund	\$0.00
Series D Debt Service Fund	\$0.00
Series D Debt Service Reserve Fund	\$0.00
Series E Debt Service Fund	\$0.00
Surplus Fund	\$0.00
<i>Sub-total of July 1, 2022 Interest Payment Date</i>	<i>\$1,905,495.16</i>
Remaining balance in the Tourism Surcharge Incentive Payment Sub-Account as of July 1, 2022	\$0.00