



JASON E. MUMPOWER
Comptroller

TENNESSEE STATE FUNDING BOARD
OCTOBER 2, 2024
AGENDA

1. Call meeting to order, establish that there is a physical quorum, and receive public comment on actionable items in accordance with 2023, Public Chapter 300 and Board guidelines
2. Consideration for approval of minutes from the July 22, 2024, meeting
3. Report from the Department of Economic and Community Development for approval of funding for the following FastTrack projects:
 - **Gateway Packaging Company, LLC – White House (Robertson County)**
FastTrack Job Training Assistance Grant \$930,000
 - **American Water Heater Company – Johnson City (Washington County)**
Fast Track Job Training Assistance Grant \$520,000
4. Consideration and approval of a “Resolution Allocating from the Debt Service Fund to the Capital Projects Fund \$5,752,159.29 and Canceling Authorized Bonds”
5. Discussion on the Request for Proposal for Financial Advisor
6. Adjourn

TENNESSEE STATE FUNDING BOARD
July 22, 2024

The Tennessee State Funding Board (the “Board”) met on Monday, July 22, 2024, at 3:00 p.m., in the Volunteer Conference Center, 2nd Floor, Cordell Hull Building, Nashville, Tennessee. The Honorable Jason E. Mumpower was present and presided over the meeting.

The following members were also physically present:

The Honorable David H. Lillard, Jr., State Treasurer
Commissioner Jim Bryson, Department of Finance and Administration

The following members were absent:

The Honorable Bill Lee, Governor
The Honorable Tre Hargett, Secretary of State

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

Comptroller Mumpower then presented the minutes from the meeting held on June 24, 2024, for consideration and approval. Commissioner Bryson made a motion to approve the minutes. Treasurer Lillard seconded the motion, and it was unanimously approved.

Comptroller Mumpower then recognized Ms. Jamie Stitt, Assistant Commissioner of Business and Workforce Development, Tennessee Department of Economic and Community Development (“ECD”), to present FastTrack projects for consideration, and Ms. Allyson Crystal, Budget and Finance Administrator, ECD, to present the “FastTrack Report to State Funding Board” (the “Report”). Ms. Crystal reported that, as of the date of the June 24, 2024, Board meeting, the FastTrack balance was \$613,304,764.46. Since that time, \$36,383,672.98 in new funds had been appropriated; \$13,199,935.00 in funds had been deobligated; \$30,000.00 in new grants or loans less than \$750,000.00 had been approved; and \$1,044,600.39 in funds had been spent on FastTrack administrative expenses, which resulted in an adjusted FastTrack balance available for funding grants and loans of \$661,813,772.05 as of the date of the Report. Ms. Crystal reported that total commitments had been made in the amount of \$520,727,364.22, or 78.7% committed, and resulted in an uncommitted FastTrack balance of \$141,086,407.83. Ms. Crystal reported that the amount of proposed grants for projects to be considered at this meeting totaled \$1,915,800.00, and if these projects were approved, the uncommitted balance would be \$139,170,607.83, with a total committed balance of \$522,643,164.22, which represented 79.0% of the FastTrack balance. Comptroller Mumpower then asked Ms. Stitt to present the following FastTrack projects:

- **Wal-Mart Associates, Inc. – Lebanon (Wilson County)**
FastTrack Job Training Assistance Grant \$940,800.00

- **Hyla Mobile, Inc. – Mount Juliet (Wilson County)**

FastTrack Job Training Assistance Grant

\$975,000.00

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

Comptroller Mumpower then recognized Ms. Thompson to present revisions to the Board's Debt Management Policy (the "Policy") for consideration and approval. Ms. Thompson stated that SGF conducted an extensive review of the Policy and that updates were necessary due to changes in the debt market over the last few years. Ms. Thompson further stated that many of the changes were for clarification purposes. Ms. Thompson also detailed the additional following revisions:

- Updates to the Policy to follow language in Tennessee Code Annotated ("TCA")
- The addition of a tender option as an alternative method for refinancing outstanding debt
- Enhancements to the risk assessment sections

Commissioner Bryson made a motion to approve the revised Policy. Treasurer Lillard seconded the motion, and it was unanimously approved.

Comptroller Mumpower then recognized Ms. Thompson to present a "Resolution Making Findings for Decrease in Special Revenues" as required by TCA § 9-9-104(b) for consideration and approval. Ms. Thompson stated that the state had covenanted with its bondholders that it would not decrease the special tax revenues that had been pledged for the payment of principal and interest on its debts unless the Board certifies by resolution, as required by TCA § 9-9-104(b), the following:

- All payments due pursuant to statute have been made in full.
- The state is not in default in payment of any outstanding debt.
- Fees and taxes pledged pursuant to TCA § 9-9-104 will be sufficient to provide funds adequate to meet all payments required to be made by the Board in fiscal year 2024-2025.

Ms. Thompson then stated that the resolution was in the Board member's packets and that staff recommended approval of the resolution. Commissioner Bryson made a motion to approve the resolution. Treasurer Lillard seconded the motion, and it was unanimously approved.

Comptroller Mumpower then recognized Ms. Thompson to present a "Resolution Certifying and Authorizing the Allocation of Funds to the Sinking Fund for the 2024-2025 Fiscal Year" for consideration and approval. Ms. Thompson stated that the resolution certified the amount of taxes and fees that would be deposited to the sinking fund to cover the state's debt service expenses for the 2024-2025 fiscal year. Ms.

Thompson then stated that the resolution would be effective as of July 1, 2024. Commissioner Bryson made a motion to approve the resolution. Treasurer Lillard seconded the motion, and it was unanimously approved.

Comptroller Mumpower then recognized Ms. Thompson to present a “Resolution Allocating Funds to Defray a Portion of the Cost Highway Construction Projects and Canceling Authorized Bonds” Ms. Thompson stated that the resolution canceled bonds for highway construction projects in the amount of \$87,700,000. Ms. Thompson then stated that the resolution would be effective as of July 1, 2024. Commissioner Bryson made a motion to approve the resolution. Treasurer Lillard seconded the motion, and it was unanimously approved.

Comptroller Mumpower then recognized Ms. Thompson to present a “Resolution Authorizing the Issuance of General Obligation Bonds of the State of Tennessee” for consideration and approval based on Chapter 965, Public Acts 2024 (the “2024 Bond Bill”). Ms. Thompson stated that the resolution authorized the issuance of General Obligation (“GO”) Bonds in the amount of \$87,700,000, pursuant to the fiscal year 2024 bond bill. Ms. Thompson then stated that the resolution would be effective as of July 1, 2024. Ms. Thompson then explained that the state’s current practice was to fund highway projects with cash and not issue bonds. Comptroller Mumpower then stated that the unissued bond authorization would be utilized to facilitate contracts for highway construction. Commissioner Bryson made a motion to approve the resolution. Comptroller Mumpower seconded the motion, and it was unanimously approved.

Comptroller Mumpower then recognized Mr. Steve Osborne, Assistant Director of the Division of Local Government Finance (“LGF”) to present revisions to the Tennessee Budget Manual for Local Governments (the “Manual”) for consideration and approval. Mr. Osborne noted the Manual was being revised for the following:

- To clarify how a budget may be amended upon Comptroller requirements for amendment, and to provide a sample resolution for this amendment
- To clarify how an entity acquires the budget certificate
- To provide additional guidance on budget adoption during a reappraisal year

Commissioner Bryson made a motion to approve the revised Manual. Treasurer Lillard seconded the motion, and it was unanimously approved.

Comptroller Mumpower then recognized Mr. Osborne to present the annual report on requests for approval of Balloon Indebtedness. Mr. Osborne stated that the Balloon Indebtedness report showed the status of balloon debt requests received by LGF during the fiscal year 2023-2024. Mr. Osborne reported that two requests had been received and that both were refundings for debt service savings purposes. Mr. Osborne further reported that this was the lowest number of requests received since the law requiring Comptroller approval prior to issuing debt with a balloon structure took effect in 2015. No further action was necessary.

Comptroller Mumpower then recognized Mr. Osborne to present the annual report on outstanding debt for Industrial Development Boards (“IDB”). Mr. Osborne stated that this was the fifth year that LGF reported on the IDB debt. Mr. Osborne then reported that, as of end of fiscal year 2023, 93 counties had active IDBs of which 44 had no outstanding debt. Mr. Osborne further reported that there were 210 conduit debt issues and 89 direct debt issues. Mr. Osborne then stated that the number and amount of Nashville’s IDB was the

largest with 85 total debt issues and slightly under one billion dollars in bonds outstanding. Mr. Osborne further stated that the majority of the Nashville IDB's debt issues were conduit debt. Commissioner Bryson then asked how the report was used. Mr. Osborne responded that it helps LGF track the debt of IDBs and to understand what kind of debt outstanding the IDBs have. It also helps with default reporting. Mr. Osborne further responded that in 2018 the legislature stated that they would like the Comptroller to keep track of IDB debt issues. Mr. Osborne reported that last year was the first time they received reports from 100% of the IDBs, allowing LGF to see all the debt outstanding. Commissioner Bryson then asked if the debt spiked would that be a red flag that the state would have to look at. Mr. Osborne responded in the affirmative. No further action was necessary.

Comptroller Mumpower then recognized Mr. Osborne to report on a Notice of Default by the Economic Development Growth Engine Industrial Development Board of Memphis and Shelby County ("EDGE"). Mr. Osborne stated that EDGE reported a monetary default on their 2017 Series D Graceland Bonds (the "Series D Bonds"). Mr. Osborne further stated that this was the seventh notice of default on the Series D Bonds. Mr. Osborne then stated that failure to make bondholder payments on the Series D Bonds was not a default under the indenture but was a default that was required to be presented to the Board. Comptroller Mumpower then asked if the other series of Graceland bonds debt service payments had been satisfied. Mr. Osborne replied in the affirmative and stated that the Graceland bonds had a waterfall scenario of payment priority from Series A down through the remaining series. Treasurer Lillard then asked if LGF had spoken with EDGE's bond counsel or the bondholders on the matter. Mr. Osborne responded that LGF had spoken with bond counsel and EDGE's financial advisor. Mr. Osborne further responded that LGF understood that the bondholders voiced their opinion when the debt service on the 2017 Series A Graceland Bonds ("Series A Bonds") had not been paid, and only a partial payment was made. Mr. Osborne then stated that the Series A Bonds debt service has been paid and made current, but the Series D Bonds debt service had not been paid in three and a half years. Mr. Osborne then stated that the Series D Bonds had been privately-placed with sophisticated investors that were aware if money was not available to pay the debt service, it would not be considered a default. No further action was necessary.

Comptroller Mumpower then recognized Ms. Thompson to present a Report on the State of Tennessee General Obligation Bond and Commercial Paper ("CP") Indebtedness. Ms. Thompson stated that on an annual basis staff reports to the Board on the GO bonds outstanding for both long-term debt as well as the CP program. Ms. Thompson then stated that the report in the Board Members' packets outlined those amounts as of June 30, 2024. Ms. Thompson then stated that the amount of taxable CP outstanding was \$5,113,000 and the amount of tax-exempt CP outstanding was \$15,500,000 for a total amount of CP outstanding of \$20,613,000. Ms. Thompson then stated the amount of taxable bonds outstanding was \$593,445,000 and the amount of tax-exempt bonds was \$1,095,650,000 for a total amount of bonds outstanding of \$1,689,105,000. Ms. Thompson then presented the remainder of the report highlighting some of the statistics for the CP program including the average daily balance, interest rate range, weighted average yield, and program expenses for fiscal year 2024. No further action was necessary.

Comptroller Mumpower observed no further business to come before the Board and requested a motion to adjourn. Commissioner Bryson made a motion to adjourn the meeting, and Treasurer Lillard seconded the motion. The motion was unanimously approved, and the meeting was adjourned.

Approved on this _____ day of _____ 2024.

Respectfully submitted,

Sandra Thompson,
Assistant Secretary

FastTrack Report to State Funding Board

9/25/2024

| | |
|--|-----------------|
| 1. Previous FastTrack Balance, as of Last Report | 661,813,772.05 |
| 2. + New Appropriations: | 3,574,291.74 |
| 3. + Newly Deobligated Funds: | 764,379.27 |
| 4. + Funds Transferred to FastTrack: | 0.00 |
| 5. - Funds Transferred from FastTrack: | 0.00 |
| 6. - FastTrack Grants or Loans Approved Greater Than \$750,000: | (50,050,000.00) |
| 7. - FastTrack Grants or Loans Approved Less Than \$750,000: | (2,539,485.00) |
| 8. - FastTrack Administration | (379,713.68) |
| 9. Adjusted FastTrack Balance Available for Funding FastTrack Grants or Loans: | 613,183,244.38 |
| <hr/> | |
| 10. Total Amount of Commitments: | 439,007,258.22 |
| <hr/> | |
| 11. Uncommitted FastTrack: | 174,175,986.16 |
| 12. Percentage Committed: | 71.6% |
| <hr/> | |
| 13. Amount of Proposed Grants or Loans: | 1,450,000.00 |
| 14. Uncommitted FastTrack Balance if Proposed Grants or Loans Approved: | 172,725,986.16 |
| 15. Percentage Committed: | 71.8% |

See next page for explanations of the above questions.

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



Commissioner of Economic and Community Development

Date: 9-25-24



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

October 2, 2024

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. Gateway Packaging Company, LLC – White House (Robertson County)

Gateway Packaging Company, LLC is owned by ProAmpac, a leading global flexible packaging company with a comprehensive product offering including pouches, bags, roll stock, and kraft paper rolls intended for the food and beverage, health and beauty, and retail industries. ProAmpac currently employs over 4,000 people in the US and 6,000 people globally, with manufacturing locations in 6 countries.

The project represents an opportunity for the facility to double its current output, and increase its footprint by 100,000 square feet. This project also includes the installation of a new Flexographic Press and relocation of 8-10 bag making converting machines from out of state.

Gateway Packaging Company, LLC has committed to create 186 net new jobs and make a \$18,772,932 capital investment within five (5) years. The company will have an average hourly wage of \$23.89 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 \$930,000. **(\$930,000)**

Total FastTrack funds for this project - \$930,000



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

2. American Water Heater Company – Johnson City (Washington County)

American Water Heater Company is a leading manufacturer of high-quality water heater products with manufacturing, research and development and corporate offices located in Johnson City, TN. The company offers a comprehensive line of residential and commercial water heaters.

American Water Heater Company has committed to growth in the state of Tennessee with new innovations, continued job opportunities, employee training and investments for advancement.

American Water Heater Company has committed to create 130 net new jobs and make a \$27,061,000 capital investment within five (5) years. The company will have an average hourly wage of \$24.05 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 \$520,000. **(\$520,000)**

Total FastTrack funds for this project - \$520,000

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* | Gateway Packaging Company, LLC | \$930,000 | |
| ECONOMIC DEVELOPMENT | | | |
| TOTAL | | \$930,000 | |

(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): Gateway Packaging Company, 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



Date



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

June 4, 2024

INCENTIVE ACCEPTANCE FORM

This form serves as notice that Gateway Packaging Company, LLC intends, in good faith, to create 186 private sector jobs in White House, Robertson County and make a capital investment of \$18,772,932, in exchange for incentives that will be memorialized in a grant agreement between Gateway Packaging Company, LLC and the State of Tennessee. New jobs must be in addition to the company's baseline of 96 jobs at the project site in Tennessee.

ECD OFFER SUMMARY

| | |
|-------------------------------|-------------------|
| FastTrack Job Training Grant: | \$ 930,000 |
| Total ECD Commitment: | \$ 930,000 |

Please sign your name in the space below to signify Gateway Packaging Company, LLC's acceptance of ECD's offer set forth above and return it by September 2, 2024, to:

Tennessee Department of Economic and Community Development
Attn: Sydney Forrest
312 Rosa Parks Avenue, 27th Floor
Nashville, TN 37243
Sydney.Forrest@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: Michael Mannino
(Authorized Representative of Company)

Date: 8/27/24

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* | American Water Heater Company | \$520,000 | |
| ECONOMIC DEVELOPMENT | | | |
| TOTAL | | \$520,000 | |

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

*ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity): American Water Heater Company

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

9-25-24

Date



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

April 19, 2024

INCENTIVE ACCEPTANCE FORM

This form serves as notice that American Water Heater Company intends, in good faith, to create 130 private sector jobs in Johnson City, Washington County and make a capital investment of \$27,061,000 in exchange for incentives that will be memorialized in a grant agreement between American Water Heater Company and the State of Tennessee. New jobs must be in addition to the company's baseline of 1,097 jobs at the project site in Tennessee.

ECD OFFER SUMMARY

| | |
|-------------------------------|-------------------|
| FastTrack Job Training Grant: | \$ 520,000 |
| Total ECD Commitment: | \$ 520,000 |

Please sign your name in the space below to signify American Water Heater Company's acceptance of ECD's offer set forth above and return it by July 18, 2024, to:

Tennessee Department of Economic and Community Development
Attn: Sydney Forrest
312 Rosa Parks Avenue, 27th Floor
Nashville, TN 37243
Sydney.Forrest@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: Marcia Blake
(Authorized Representative of Company)

Date: 6-17-2024

**RESOLUTION ALLOCATING FROM THE DEBT SERVICE
FUND TO THE CAPITAL PROJECTS FUND \$5,752,159.29 AND
CANCELING AUTHORIZED BONDS**

RECITALS

(1) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 1109, Public Acts of Tennessee, 2010 (the “2010 Act”) to issue and sell its general obligation bonds in an amount not to exceed One Hundred Ninety-Four Million, One Hundred Thousand Dollars and no Cents (\$194,100,000.00) of which Sixteen Million, Four Hundred Thousand Dollars and no Cents (\$16,400,000.00) is allocated pursuant to Section 4(2) of the 2010 Act to the Department of Finance and Administration to provide funds for the state office buildings and support facilities revolving fund for the purpose of acquisition of equipment, and erection, construction and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvement, betterments and extraordinary repairs to existing structures, and for the purpose of making grants to any county, metropolitan government, incorporated town, city, special district of the state, or any governmental agency or instrumentality of any of them, if such project grant is approved by the State Building Commission (the “2010 Act FRF Bonds”).

By memorandum dated July 25, 2024, the Commissioner of Finance and Administration has notified the Funding Board that Two Hundred Nineteen Thousand, Nine Hundred Sixty-One Dollars and no Cents (\$219,961.00) is available for the 2010 Act FRF Bonds from funds not required for debt service and recommended that a like amount of the unissued 2010 Act FRF Bonds be canceled.

(2) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant the 2010 Act to issue and sell its general obligation bonds in an amount not to exceed One Hundred Ninety-Four Million, One Hundred Thousand Dollars and no Cents (\$194,100,000.00) of which Thirteen Million, Two Hundred Thousand Dollars and no Cents (\$13,200,000.00) is allocated pursuant to Section 4(1) of the 2010 Act to the Department of Finance and Administration to provide funds for the purpose of acquisition of equipment, and erection, construction and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvement, betterments and extraordinary repairs to existing structures, and for the purpose of making grants to any county, metropolitan government, incorporated town, city, special district of the state, or any governmental agency or instrumentality of any of them, if such project grant is approved by the State Building Commission (the “2010 Act Bonds”).

By memorandum dated July 25, 2024, the Commissioner of Finance and Administration has notified the Funding Board that Nine Hundred Fifty Thousand Dollars and no Cents (\$950,000.00) is available for the 2010 Act Bonds from funds not required for debt service and recommended that a like amount of the unissued 2010 Act Bonds be canceled.

(3) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant the Chapter 1024, Public Acts of Tennessee, 2012 (the “2012 Act”) to issue and sell its general obligation bonds in an amount not to exceed Three Hundred Eighty-One Million, Nine Hundred Thousand Dollars and no Cents (\$381,900,000.00) of which Two Hundred Thirty Million, Nine Hundred Thousand Dollars and no Cents (\$230,900,000.00) is allocated pursuant to Section 4(1) of the 2012 Act to the Department of Finance and Administration to provide funds for the purpose of acquisition of equipment and sites, and erection, construction and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvement, betterments and extraordinary repairs to existing structures, and for the purpose of making grants to any county, metropolitan government, incorporated town, city, special district of the state, or any governmental agency or instrumentality of any of them, if such project grant is approved by the State Building Commission (the “2012 Act Bonds”).

By memorandum dated July 25, 2024, the Commissioner of Finance and Administration has notified the Funding Board that Eighty-Five Thousand, Four Hundred Five Dollars and Thirty-Eight Cents (\$85,405.38) is available for the 2012 Act Bonds from funds not required for debt service and recommended that a like amount of the unissued 2012 Act Bonds be canceled.

(4) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant the Chapter 424, Public Acts of Tennessee, 2015 (the “2015 Act”) to issue and sell its general obligation bonds in an amount not to exceed Five Hundred Twenty-One Million, Four Hundred Thousand Dollars and no Cents (\$521,400,000.00) of which Two Hundred Thirty-Six Million, Eight Hundred Thousand Dollars and no Cents (\$236,800,000.00) is allocated pursuant to Section 4(1) of the 2015 Act to the Department of Finance and Administration to provide funds for the purpose of acquisition of equipment and sites, and erection, construction and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvement, betterments and extraordinary repairs to existing structures, and for the purpose of making grants to any county, metropolitan government, incorporated town, city, special district of the state, or any governmental agency or instrumentality of any of them, if such project grant is approved by the State Building Commission (the “2015 Act Bonds”).

By memorandum dated July 25, 2024, the Commissioner of Finance and Administration has notified the Funding Board that Two Million, Two Hundred Ninety-Eight Thousand, Five Dollars and Forty Cents (\$2,298,005.40) is available for the 2015 Act Bonds from funds not required for debt service and recommended that a like amount of the unissued 2015 Act Bonds be canceled.

(5) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant the Chapter 1062, Public Acts of Tennessee, 2018 (the “2018 Act”) to issue and sell its general obligation bonds in an amount not to exceed Two Hundred Fifteen Million, Two Hundred Ninety-Five Thousand Dollars and no Cents (\$215,295,000.00) of which Fifty-Seven Million, Five Hundred Eighty-Seven Thousand Dollars and no Cents (\$57,587,000.00) is allocated pursuant to Section 4(2) of the 2018 Act to the Department of Finance and Administration to provide funds for the state office buildings and support facilities revolving fund for the purpose of acquisition of equipment and sites, and erection, construction and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvement, betterments and extraordinary repairs to existing structures (the “2018 Act FRF Bonds”).

By memorandum dated July 25, 2024, the Commissioner of Finance and Administration has notified the Funding Board that Two Million, One Hundred Ninety-One Thousand, Five Hundred Four Dollars and One Cent (\$2,191,504.01) is available for the 2018 Act FRF Bonds from funds not required for debt service and recommended that a like amount of the unissued 2018 Act FRF Bonds be canceled.

(6) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant the Chapter 1062, Public Acts of Tennessee, 2018 (the “2018 Act”) to issue and sell its general obligation bonds in an amount not to exceed Two Hundred Fifteen Million, Two Hundred Ninety-Five Thousand Dollars and no Cents (\$215,295,000.00) of which Thirty Million, Seven Hundred Eight Thousand Dollars and no Cents (\$30,708,000.00) is allocated pursuant to Section 4(1) of the 2018 Act to the Department of Finance and Administration to provide funds for the purpose of acquisition of equipment and sites, and erection, construction and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvement, betterments and extraordinary repairs to existing structures, and for the purpose of making grants to any county, metropolitan government, incorporated town, city, special district of the state, or any governmental agency or instrumentality of any of them, if such project grant is approved by the State Building Commission (the “2018 Act Bonds”).

By memorandum dated July 25, 2024, the Commissioner of Finance and Administration has notified the Funding Board that Seven Thousand, Two Hundred Eight-Three Dollars and Fifty Cents (\$7,283.50) is available for the 2018 Act Bonds from funds not required for debt service and recommended that a like amount of the unissued 2018 Act Bonds be canceled.

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

1. The projects authorized to be financed by the 2010 Act FRF Bonds, 2010 Act Bonds, 2012 Act Bonds, 2015 Act Bonds, 2018 Act FRF bonds, and 2018 Act Bonds have been financed in whole or in part with commercial paper and the commercial paper has been retired in whole or in part without the issuance of bonds and Five Million, Seven Hundred Fifty-Two Thousand, One Hundred Fifty-Nine Dollars and Twenty-Nine Cents (\$5,752,159.29) is no longer needed to fund such authorized projects.
2. Five Million, Seven Hundred Fifty-Two Thousand, One Hundred Fifty-Nine Dollars and Twenty-Nine Cents (\$5,752,159.29) in accordance with the authority provided by Tennessee Code Annotated Sections 9-9-205 and 9-9-208, is allocated from the Debt Service Fund to the Capital Projects Fund to defray the cost of a portion on the 2010 Act FRF Bonds, 2010 Act Bonds, 2012 Act Bonds, 2015 Act Bonds, 2018 Act FRF bonds, and 2018 Act Bonds.
3. In accordance with authority provided by Tennessee Code Annotated Sections 9-9-205 and 9-9-208, and memorandum from the Commissioner of Finance and Administration dated July 25, 2024, the Funding Board hereby cancels Five Million, Seven Hundred Fifty-Two Thousand, One Hundred Fifty-Nine Dollars and Twenty-Nine Cents (\$5,752,159.29) of the principal amount authorized by the 2010 Act FRF Bonds, 2010 Act Bonds, 2012 Act Bonds, 2015 Act Bonds, 2018 Act FRF bonds, and 2018 Act Bonds.
4. This resolution shall be effective as of October 2, 2024, and all resolutions in conflict herewith are hereby repealed.

Adopted by the Funding Board at its meeting on October 2, 2024.

JASON E. MUMPOWER, SECRETARY
TENNESSEE STATE FUNDING BOARD



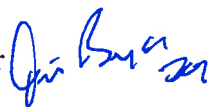
STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285

JIM BRYSON
COMMISSIONER

July 25, 2024

MEMORANDUM

TO: The Honorable Jason E. Mumpower, Secretary
State Funding Board

FROM: Jim Bryson, Commissioner 

SUBJECT: 2024-2025 Cancellation of General Obligation Bonds

Section 2, Item 3 of the 2024 Appropriations Act, Public Chapter 966, authorizes the State Funding Board to allocate such funds not required for debt service and to reduce the bond authorization accordingly. Section 2, Item 3 reads:

Item 3. From the appropriations made to the State Funding Board in Section 1, Title III-31, the Funding Board is hereby authorized to allocate and provide to the Capital Projects Fund such funds not required for debt service during fiscal year 2024-2025 for projects duly authorized and approved by the General Assembly; provided, however, that when the Funding Board allocates funds under this provision, any other appropriation or bond authorization for said purpose is hereby reduced accordingly.

Under the authority of Section 2, Item 3, of Chapter 966, Public Acts of 2024, and pursuant to T.C.A., Sections 9-9-205 and 9-9-208, I recommend that the State Funding Board allocate the sum of \$5,752,159.29 to the capital projects fund and cancel general obligation bonds effective in the fiscal year ending June 30, 2025, according to the following schedule:

| | |
|--|-----------------|
| Chapter 1109, Public Acts of 2010, FRF Capital Outlay | \$ 219,961.00 |
| Chapter 1109, Public Acts of 2010, Capital Outlay | \$ 950,000.00 |
| Chapter 1024, Public Acts of 2012, Capital Outlay | \$ 85,405.38 |
| Chapter 424, Public Acts of 2015, Capital Outlay | \$ 2,298,005.40 |

Chapter 1062, Public Acts of 2018,
FRF Capital Outlay

\$ 2,191,504.01

Chapter 1062, Public Acts of 2018,
Capital Outlay

\$ 7,283.50

JB:DT:ml

cc: F&A – Office of Business and Finance
F&A – Division of Accounts
F&A – Division of Budget