



JASON E. MUMPOWER  
*Comptroller*

**TENNESSEE STATE FUNDING BOARD**  
**FEBRUARY 23, 2026**  
**AGENDA**

1. Call meeting to order, establish that there is a physical quorum, and receive public comment on actionable items in accordance with Tenn. Code Ann. § 8-44-112 and Board guidelines
2. Consideration and approval of minutes from November 3, and November 24, meeting
3. Report from the Department of Economic and Community Development for consideration and approval of funding for the following FastTrack projects:
  - **Alu Materials America Inc and GRT America, Inc. – Halls (Lauderdale County)**  
FastTrack Economic Development Grant \$3,725,000
  - **Eastern Plating, LLC – Newport (Cocke County)**  
FastTrack Job Training Assistance Grant \$2,115,000
  - **American Appliance Products, LLC – Newport (Cocke County)**  
FastTrack Job Training Assistance Grant \$2,400,000
  - **Korea Zinc Company, Limited and CRUCIBLE METALS, LLC – Clarksville (Montgomery County) and Gordonsville (Smith County)**  
FastTrack Economic Development Grant \$45,000,000
4. Consideration and approval of revisions to State Funding Board Guidelines Public Comment Policy
5. Report on Notice of Default on Metro Nashville Industrial Development Board Series 2015 Bonds
6. Report from Comptroller of the Treasury, Division of State Audit regarding Tennessee State Veterans' Homes Board Performance Audit Report
7. Report from Tennessee State Veterans Home Board
  - Mr. Ed Harries, Executive Director
  - Mr. Adam Fleming, Director of Finance

The Board meeting will be held in the Volunteer Conference Center, 2<sup>nd</sup> Floor, Cordell Hull Building, 425 Rep. John Lewis Way N., Nashville, TN. Board members are allowed to participate by electronic means. The public may attend in person or virtually by using the following link:  
<https://www.comptroller.tn.gov/office-functions/sgf/sgf-calendar/2026/2/23/state-funding-board-meeting.html>

**TENNESSEE STATE FUNDING BOARD**  
**November 3, 2025**

The Tennessee State Funding Board (the “Board”) met on Monday, November 3, 2025, at 1:00 p.m., CT in the Volunteer Conference Center, 2<sup>nd</sup> Floor, Cordell Hull Building, Nashville, Tennessee. The Honorable Jason Mumpower, Comptroller of the Treasury, was present and presided over the meeting.

The following members were also present:

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

The following member was absent:

The Honorable Bill Lee, Governor

Seeing a physical quorum present, Comptroller Mumpower called the meeting to order. Comptroller Mumpower, in accordance with Tenn. Code Ann. 8-44-112 and Board guidelines, asked Ms. Sandra Thompson, Assistant Secretary to the Board and Director of the Division of State Government Finance (“SGF”), if any requests for public comment had been received. Ms. Thompson responded that no requests had been received.

Comptroller Mumpower then presented the minutes from the meeting held on October 20, 2025, for consideration and approval. Secretary Hargett made a motion to approve the minutes, and Treasurer Lillard seconded the motion. The minutes were unanimously approved.

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

The presenters forecasted economic growth and state tax revenue growth that reflected minimal growth in the current fiscal year and slow growth the next fiscal year. Factors cited to support minimal growth in the current and slow growth in next year included uncertainty around tariff impacts on consumption, labor supply concerns (plus interrupted labor market data due to the shutdown of the federal government), and lingering inflation. Tennessee’s relative economic strength compared to the nation was cited as a positive factor. Those factors all combine to urge caution when estimating both economic and state tax revenue growth. Further, many of the growth ranges presented were below the current nominal inflation rate, indicating negative real state tax revenue growth.

Comptroller Mumpower then called for presentations regarding the Tennessee Education Lottery Corporation (TELC) from Mr. Savic and Ms. Bransford; and Ms. Rebecca Paul, President and CEO, and Mr. Andy Davis, Chief Financial Officer, from the TELC. Legislation in 2003 created the TELC (Tenn. Code Ann. §§ 4-51-101 et seq.). Pursuant to Tenn. Code Ann. § 4-51-111(c), the Board is required to

establish a projected revenue range for the “Net Lottery Proceeds” [defined in § 4-51-102(14)] for the remainder of the current fiscal year and for the next four (4) succeeding fiscal years.

The presenters reported on historical results and growth reported in previous years for the various instant and numbers games, and Powerball and Mega Millions jackpot games, of the Tennessee Lottery program. The presenters also reported on year-to-date revenue and expenses for fiscal year 2025-2026. Comptroller Mumpower thanked the presenters for their reports.

Tenn. Code Ann. § 4-51-111(c)(2)(A)(ii) requires the Board, with the assistance of the Tennessee Student Assistance Corporation (TSAC), to project long-term funding needs of the lottery scholarship and grant programs. These projections are necessary to determine if adjustments to lottery scholarship and grant programs are needed to prevent the funding for these programs from exceeding Net Lottery Proceeds. For this purpose, the Board heard testimony from Mr. Peter Abernathy, Chief Student Aid and Compliance Officer of the Tennessee Higher Education Commission (THEC), who reported the projected expenditures in lottery scholarship and grant programs for fiscal years ending 2026 through 2030. The lottery-funded scholarship programs as authorized through the 2025 session of the General Assembly included the HOPE Scholarship, General Assembly Merit Scholarship, ASPIRE Award, Wilder-Naifeh Technical Skills Grant, HOPE Scholarship for Non-traditional Students, Dual Enrollment Grant, Helping Heroes Grant, Foster Child Tuition Grant, STEP UP Scholarship, TCAT Reconnect Grant, the Tennessee Middle College Scholarship, and Tennessee Reconnect Grant. Comptroller Mumpower then asked Mr. Abernathy for his thoughts on keeping up with scholarship demand. Mr. Abernathy replied that there were three major factors playing into THEC’s expenditure estimates. Mr. Abernathy explained that the renewal rates of scholarships were increased with an increased retention rate of freshman to sophomores. Mr. Abernathy further replied that the post-secondary enrollment rate was also up this year. Mr. Abernathy then noted that changes were made in the 2022-2023 academic year that increased award amounts which compound with the renewal and retention rates. Mr. Abernathy then stated that THEC saw modest growth in scholarship expenditures to around \$500 million. Mr. Abernathy then stated that based on revenue projections there would be a \$30 million to a \$60 million deficit between revenues and expenditures in the current year. Comptroller Mumpower thanked Mr. Abernathy for the report.

Comptroller Mumpower then recognized Ms. Mary Beth Thomas, Executive Director of the Tennessee Sports Wagering Council (the “SWC”), for a presentation on sports wagering revenue estimates. The SWC is responsible for regulating online sports wagering and fantasy sports wagering in the state, including annual vetting/licensing of sportsbooks and fantasy sports operators, and the registering of vendors that provide services to the online sport books. The SWC is also responsible for compliance functions throughout the year. Ms. Thomas’ presentation discussed mobile sports wagering, licensing and registration of sportsbooks in the state, compliance oversight and enforcement measures, total wager estimates, and sports betting revenue estimates for the State. Ms. Thomas noted the following:

- The SWC has a staff of 20 with day-to-day work functions that include the annual licensure of 12 sports betting platforms, 19 fantasy sports platforms, and the registration of 59 vendors that provide support services to the sports betting platforms.
- Additional functions of the office included the collection of privilege taxes from sports betting operators, fantasy operators, and registered vendors; technical, operational, and financial audits on sports betting platforms to ensure compliance; and the investigation/removal of illegal operators.
- The SWC served cease and desist orders to 20 sports books operating illegally in the state and assessed \$700,000 in fines to illegal operators that were in the process of being collected. 7 illegal sports books had left the state.

- Within the last fiscal year 296 cases were referred to law enforcement for violations of the Sports Gaming Act, and an additional 192 cases were resolved without the need for referral to law enforcement.
- With the efforts to eradicate illegal operators, privilege taxes collected would naturally increase with the safer regulated environment.
- There has been an upward trajectory in sports betting volume, both in Tennessee and nationwide since sports wagering became legal five years ago.
- Currently, 34 states have legal online sports betting. Tennessee is the largest online only market compared to the other online only markets of Vermont and Wyoming.
- For calendar year 2023 the sports betting total handle (wagers) increased 23% for the country as a whole. Tennessee saw a 23% increase in total wagers for calendar year 2024 over calendar year 2023, and an 18% increase in fiscal year 2024 over fiscal year 2023. Year-to-date there has been an approximate 9% increase in total wagers for fiscal year 2026 over fiscal year 2025 in Tennessee.
- Tennessee is unique in that privilege taxes are calculated based on total wagers received. A 1.85% privilege tax is collected on the total volume of wagers placed in the state so for every dollar wagered the state received 1.85 cents. Other state tax gross gaming revenue, which is riskier as there may be some months where states lose out due to mismanaged risks within the sports book.
- For the 2024 calendar year, Tennessee ranked 8<sup>th</sup> in the country for sports betting tax revenue by state and 12<sup>th</sup> in market size.
- The regulated market for online sports betting is only five years old and there are many new products that are being offered in different areas that are competing with sports betting, the largest being prediction markets.
- Prediction markets do not have the same protections in place as state regulated sports books such as self-exclusion, integrity monitoring, and credit card prevention.
- Sports events contracts are being offered on designated contract market platforms. In substance the event contracts are like sports bets in that they allow for betting on similar items such as spread and over/under for the event. The companies that utilize events contracts offer betting as a futures contract which is governed by the Commodities Futures Trading Commission (CFTC). The companies argue that they are not governed by state law but by federal law leading to extensive litigation. Tennessee Attorney General (AG) Jonathan Skrmetti has signed onto an amicus brief in favor of states regulating sports betting and not having sporting events contracts. If it is resolved that prediction markets can offer sports events contracts, then it would put a significant dent in state regulated sports books.
- The SWC assumed a conservative growth rate of 5% in privilege taxes for fiscal years 2026, 2027, and 2028.
- Total Privilege Tax collections amounted to \$87,568,810 in FY2024 and \$103,425,694 in FY2025. The SWC estimated collections in the amount of \$109,391,793 for FY2026, \$114,861,383 in FY2027, and \$120,604,452 for FY2027 based on the estimated growth rate.
- 80% of the sports betting revenue generated from the 1.85% privilege tax collections was previously distributed to the Lottery Education account. Legislation passed in 2025 now directs those 80% of collections to be distributed to a disbursement account administered by the State Treasurer for use by local education agencies for construction and maintenance of public-school buildings following deposits to the Lottery for Education account to cure any deficiencies in net lottery proceeds.
- Fantasy Sports privilege tax collected by the Department of Revenue based on a 6% tax of adjusted revenues grew from \$444,751 in FY2024 to \$1,535,013 in FY2025, a year over year growth of 245%.

Comptroller Mumpower then asked for confirmation that if there was a shortfall in lottery funds available for the scholarship program, the privilege taxes collected by the SWC would fill that gap. Ms. Thomas

confirmed that this was the case. Secretary Hargett then asked how much revenue could be lost if the futures betting was allowed to continue. Ms. Thomas replied that she thought it could be significant as futures betting was already generating an estimated one-third of what legal state regulated sports betting was generating in total wagering volume within the past year. Secretary Hargett then inquired if the AGs office was following up on collecting the fines that have been levied by the SWC on illegal gaming operations. Ms. Thomas replied that the SWC had requested that the AG turn the levied fines into enforceable judgements through the UAPA process. Secretary Hargett then asked if the SEC was having conversations with leaders of other states about the issues regarding predictive markets. Ms. Thomas replied in the affirmative. Secretary Hargett then inquired if Ms. Thomas anticipated any potential recommendations for change to Tennessee's regulations as a result over/under betting or other limitations as a result of recent situations in the National Basketball Association (NBA). Ms. Thomas replied that she did not have any recommendations and further stated that she thought that the state had strong protections in place for integrity monitoring. Comptroller Mumpower thanked Ms. Thomas for the report. No further action was necessary.

Comptroller Mumpower then presented a request from the Department of Education for \$23,000 from Net Lottery Proceeds for Lottery Scholarship Day for fiscal year 2026-2027, pursuant to Tenn. Code Ann. § 4-51-111(c)(2)(B). The requested funds will support improvements and enhancements for educational programs and purposes, and such net proceeds shall be used to supplement, not supplant, non-lottery educational resources for educational programs and purposes. The Board acknowledged the request from the Department of Education. No further action was necessary.

After requesting other business and hearing none, Comptroller Mumpower made a motion to recess the meeting and to reconvene on November 24, 2025, at 2:00 p.m. CT, in the Cordell Hull Building, 2<sup>nd</sup> Floor, Volunteer Conference Center. Secretary Hargett seconded the motion. The motion was unanimously approved, and the meeting was recessed.

**RECONVENED**  
**November 24, 2025**  
**2:00 p.m.**

The Board reconvened on Monday, November 24, 2025, at 2:00 p.m. CT, in the Cordell Hull Building, 2<sup>nd</sup> Floor, Volunteer Conference Center, Nashville, Tennessee. The Honorable Jason Mumpower, Comptroller of the Treasury, was present and presided over the meeting.

The following members were also present:

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

The following members were absent:

The Honorable Bill Lee, Governor  
The Honorable David H. Lillard Jr., State Treasurer

Seeing a quorum present, Comptroller Mumpower called the meeting to order. Comptroller Mumpower, in accordance with Tenn. Code Ann. § 8-44-112 and Board guidelines, asked Ms. Thompson if any requests for public comment had been received. Ms. Thompson responded that no requests had been received.

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

	<u>FY 2025–2026</u>		<u>FY 2026-2027</u>	
	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>
Total State Taxes	1.59%	2.04%	2.03%	2.23%
General Fund	0.72%	1.32%	2.25%	2.35%

Comptroller Mumpower then asked what the 2.35% top of the range estimate for the general fund growth rate in FY2027 equated to in dollars. Mr. Thurman responded that over the current year with no change in growth rates it would be about \$450 million new recurring dollars.

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

	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>	<u>FY 2027-2028</u>	<u>FY 2028-2029</u>	<u>FY 2029-2030</u>
Low	-2.25%	-3.22%	0.00%	0.00%	0.00%
High	-1.72%	-1.45%	0.00%	0.00%	0.00%

Comptroller Mumpower then asked for any additional insights from Mr. Thurman on the lottery revenue projections and what they mean for the Hope Scholarship program. Mr. Thurman responded that during the meeting on November 3, 2025, the Board heard presentations concerning the lottery revenue aspect, the lottery expenditure aspect, and sports wagering. Mr. Thurman continued stating that when you think of all of those numbers together it shows that the lottery program is currently challenged, probably due to sports wagering. Mr. Thurman then stated that depending on where lottery expenditures come in on the previously presented range of expenditure projection, it means that the lottery program revenue would not support the ongoing cost of the scholarships without using sports wagering revenue. Secretary Hargett then asked if Mr. Thurman would caution any potential additions to the expansion of the lottery scholarship program. Mr. Thurman responded in the affirmative.

Commissioner Bryson then made a motion to approve the recurring revenue estimates and the lottery revenue estimates as presented. Secretary Hargett seconded the motion, and it was unanimously approved.

Pursuant to Tenn. Code Ann. § 4-51-111(a)(3), the TELC may make a determination that returning a specific percentage of sales as net proceeds (35%) would not result in the maximum dollar amount of net proceeds being achieved. Comptroller Mumpower acknowledged receipt of a letter from TELC notifying the Board that TELC had determined that an amount that maximizes net lottery proceeds to the State of Tennessee Lottery for Education Account is projected to be less than 35% of lottery proceeds for fiscal year 2025-2026. The amount currently projected for the fiscal year ranges from \$434 million to \$459 million. The Board acknowledged the letter. No further action was necessary.

Comptroller Mumpower then recognized Ms. Thompson to present “A Resolution of the Tennessee State Funding Board Concerning the Appointment of an Assistant Secretary” for consideration and approval. Comptroller Mumpower read the resolution for the record. The resolution appointed Ms. Kayla Carr,

Assistant Director, SGF, as the Assistant Secretary to the Board given the upcoming retirement of Ms. Thompson. Commissioner Bryson made a motion to approve the motion, and Comptroller Mumpower seconded the motion. The Board members then individually acknowledged and thanked Ms. Thompson for her service and wished her well in her retirement. Comptroller Mumpower took the vote, and the resolution was unanimously approved.

Comptroller Mumpower then recognized Mr. Allen Borden, Deputy Commissioner of Business, Community and Rural Development, Tennessee Department of Economic and Community Development (“ECD”) and Ms. Jamie Stitt, Assistant Commissioner of Business and Workforce Development, ECD, to present FastTrack projects for consideration, and Ms. Jessica Johnson, Assistant Commissioner of Administration and Operations, ECD, to present the “FastTrack Report to State Funding Board” (the “Report”). Ms. Johnson reported that, as of the date of the October 20, 2025, Board meeting, the FastTrack balance was \$683,804,732.11. Since that time, \$2,065,514.00 in funds had been deobligated; \$4,750,000.00 in new grants or loans greater than \$750,000.00 had been approved; and \$321,649.53 in funds had been spent on FastTrack administrative expenses, which resulted in an adjusted FastTrack balance available for funding grants and loans of \$680,798,596.58 as of the date of the Report. Ms. Johnson reported that total commitments had been made in the amount of \$554,504,792.88, representing 81.4% of the FastTrack balance, and resulted in an uncommitted FastTrack balance of \$126,293,803.70. Ms. Johnson reported that the amount of proposed grants for projects to be considered at this meeting totaled \$16,325,000.00, and if these projects were approved, the uncommitted balance would be \$109,968,803.70, with a total committed balance of \$570,829,792.88, which represented 83.8% of the FastTrack balance. Comptroller Mumpower then asked Mr. Borden to present the following FastTrack projects:

- **Gestamp Chattanooga, LLC, Gestamp North America, Inc. and Gestamp Chattanooga II, LLC – Chattanooga (Hamilton County)**  
FastTrack Economic Development Grant \$ 9,000,000.00
- **Impact Plastics, Incorporated – Erwin (Unicoi County)**  
FastTrack Job Training Assistance Grant \$ 3,075,000.00
- **Hyosung HICO, Ltd. Company – Memphis (Shelby County)**  
FastTrack Economic Development Grant \$ 3,000,000.00
- **Carlex Glass America, LLC – Nashville (Davidson County)**  
FastTrack Economic Development Grant \$ 1,250,000.00

Comptroller Mumpower then asked about ECD’s thoughts on the profoundly quick turnaround for Unicoi County following all the damage from Hurricane Helene. Mr. Borden responded that ECD agreed and attributed a lot of the quick turnaround to state partners and local stakeholders that pulled together. Mr. Borden continued stating that the tenacity and the spirit of the state’s citizens in Northeast Tennessee was amazing. 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 Mr. Borden responded affirmatively. Comptroller Mumpower then inquired if the checklists had been completed for the projects, and Mr. Borden 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 Mr. Borden responded affirmatively. Secretary Hargett then asked if ECD had any other grants in the pipeline that might help the counties affected by Hurricane Helene. Ms. Stitt responded that ECD had a few more companies

that they were going to be able to help, and that those projects would be brought before the Board in the new year. Ms. Stitt further answered that ECD also administered the Community and Rural Development Grants that assisted the affected areas in recovery. Comptroller Mumpower made a motion to approve the projects, and Secretary Hargett seconded. The motion was unanimously approved.

Comptroller Mumpower then recognized Ms. Helene Cash, Executive Director of the Tennessee Central Economic Authority (the “Authority”) and Ms. Michele Farley, Development Coordinator from the Authority, who presented a report on the Authority operations and financials over the past year. The report was provided to the Board members in their meeting packets. Ms. Cash explained that the Authority is an economic development organization that operates in the counties of Macon, Smith, Sumner, Trousdale, and Wilson. Ms. Cash stated that the Authority’s focus was to drive economic development within the region with a strong dedication to the three rural counties in which it operates. Ms. Cash then stated that the Authority was unique in that it operated in five counties and owned its own property with an industrial park in Trousdale County as well as a port that was currently receiving barges. Ms. Cash further stated that the port served the Upper Cumberland River and provided a new way to move freight in the area. Ms. Cash then stated that the Authority had a new team starting in July of 2025 following a leadership change. The Board acknowledged the report. No further action was necessary.

Comptroller Mumpower then recognized Mr. Markus Klar, Director of Fixed Income, and Ms. Mary Collins, Director of Investment Operations, from the Tennessee Treasury Department (“Treasury”), to present a report on the State Pooled Investment Fund (“SPIF”) for the fiscal year ended June 30, 2025.

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

- From 2022 to September of 2023 the Fed embarked on 40 year high aggressive rate hike cycle in order to fight the COVID stimulus induced inflation wave. Over that time frame, it raised the Fed Funds Rate 550 basis points. Following this the Fed paused rate movements for approximately a year to assess the impact of the rate hike cycle.
- Starting in September of 2024, the Fed started a rate cut cycle with a 50 basis points cut in September followed by two additional 25 basis points cuts one after the other prior to the end of the calendar year.
- Following the rate cuts at the end of calendar year 2024, the Fed paused rate cuts to observe everything that transpired including the rollout of tariffs. Following nine months of observation the Fed followed up with two rate cuts in the last two months.
- The most recent rate cuts by the Fed were efforts to get ahead of some weakness in the labor markets. In particular, non-farm payroll growth had been quite a bit lower than expected. There was an almost five year low of job listings as measured by Indeed.
- Economic growth as measured by Gross Domestic Product (GDP) had an average growth rate of 2.10%. The growth was unevenly distributed with a good chunk of it occurring in just one section of the market, the buildout of artificial intelligence infrastructure.
- Traditional drivers of economic growth such as the housing market showed a multi-year low in the sale of new and existing homes. Home price growth had also started to turn negative.
- Consumer spending had also been subdued during the year.
- The Fed was expected to have two more rate cuts, but it was questionable how much room the Fed had to cut given the elevated inflation rate.

Mr. Klar then presented a report on the annual investment activity of the State Pooled Investment Fund (the “SPIF”) for fiscal year 2025. Mr. Klar noted the following:

- The SPIF had a return of 5.45% for fiscal year 2024 after expenses, which was the highest return in over 15 years. Due to the Fed rate cuts the SPIF could not replicate the return in fiscal year 2025. The SPIF had a return of 4.76% net of a three-basis point administrative fee in fiscal year 2025.
- The benchmark for the SPIF, the 30-day U.S. Treasury Bill, had a return of 4.78% for fiscal year 2025.
- The SPIF grew by over 4.50% from \$35.3 billion to roughly \$37.0 billion in monthly average invested funds for fiscal year 2025. The SPIF can be subdivided into three separate components, the general fund, the Local Government Investment Pool (“LGIP”), and other state funds that are generally restricted. The general fund had mostly maintained its size at approximately \$20.4 billion in fiscal year 2025 compared to \$20.5 billion in fiscal year 2024. The LGIP saw an increase from \$7.5 billion to \$8.7 billion, a growth of 17%, fueling most of the total SPIF growth. The restricted funds, including ARPA stimulus funds, grew from \$7.3 billion to \$7.8 billion, a growth rate of 7%.
- The portfolio composition of the SPIF was heavily allocated to the two safest sectors, U.S. Treasuries and U.S. Agencies, for a total of 90% of the invested amounts for fiscal year 2025, up from 89% in fiscal year 2024. The growth in the allocation to those components came at the expense of investments in commercial paper that was down close to 3% of the total composition in fiscal year 2025 from 4% in fiscal year 2024. Due to spreads being extremely tight and the issuance of commercial paper being relatively low, commercial paper was not as attractive an investment.
- The portfolio composition of collateralized CDs also increased from 2.0% in fiscal year 2024 to 2.3% in fiscal year 2025.
- There were two measurements of duration for the SPIF, the weighted average maturity (the “WAM”) and the weighted average life (the “WAL”). The measurements differ in the treatment of floating rate bonds. The WAM treats a one-year floating rate securities as one-day investments as the rate of interest resets each day. The WAL treats the same type of investment as a one-year investment as that is the time frame before the principal is received back.
- The WAM of the SPIF had a range of 45 to 54 days throughout fiscal year 2025, roughly 4 days longer than the prior fiscal year but below the stated maximum of 60 days. The WAL of the SPIF for fiscal year 2025 was the same as the WAM. The SPIF’s portfolio had no floating rate securities resulting in the curves for WAM and WAL being the same for fiscal year 2025.
- There were two measures of the liquidity of the SPIF, the daily liquidity and the weekly liquidity. The minimum standard for daily liquidity assets was 10% as determined by GASB Statement 79, and the SPIF was at no point lower than 29% daily liquidity during fiscal year 2025. The daily liquidity was volatile during the fiscal year with the daily liquidity starting the fiscal year around 46%, dropping to around 29% during the middle of the fiscal year and rebounding to around 40% by the end of fiscal year 2025. The volatility in the daily liquidity was the result of the trade-offs between investing in U.S. Treasuries and U.S. Agencies. All U.S. Treasury Bills are considered daily liquidity regardless of term under GASB Statement 79, and U.S. Agencies are not considered to be daily liquid. The volatility in the daily liquidity of the SPIF was therefore the result of which investment vehicle was more attractive at the time. The minimum standard for weekly liquidity, as determined by GASB Statement 79, was 30%. The SPIF was never below a 63% rate for weekly liquid during fiscal year 2025.

Comptroller Mumpower then noted that the SPIF had record returns during fiscal year 2024 and asked if fiscal year 2025 was the second best. Mr. Klar responded that it was the second-best year for SPIF returns since 2008. Comptroller Mumpower then inquired about what affect the deadline of December 31, 2026, for the expenditure of the American Rescue Plan (“ARP”) funds currently held in the SPIF would have on the rate of return for the SPIF in fiscal year 2027. Mr. Klar responded that the funds had begun being drawn down and that \$1.9 billion remained in the SPIF. Mr. Klar then stated that the amount of ARP funds was decreasing at a rate of approximately \$100-\$150 million per month. Mr. Klar further stated that it should

not affect the future returns of the SPIF as the withdrawal of funds was happening gradually. The Board acknowledged the report. No further action was necessary.

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

Approved this \_\_\_\_\_ day of \_\_\_\_\_ 2026.

Respectfully submitted,

Kayla Carr  
Assistant Secretary

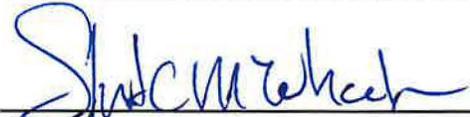
FastTrack Report to State Funding Board

2/23/2026

1. Previous FastTrack Balance, as of Last Report	680,798,596.58
2. + New Appropriations:	352.80
3. + Newly Deobligated Funds:	696,636.00
4. + Funds Transferred to FastTrack:	0.00
5. - Funds Transferred from FastTrack:	0.00
6. - FastTrack Grants or Loans Approved Greater Than \$750,000:	(5,485,000.00)
7. - FastTrack Grants or Loans Approved Less Than \$750,000:	(3,133,750.00)
8. - FastTrack Administration	(892,280.63)
9. Adjusted FastTrack Balance Available for Funding FastTrack Grants or Loans:	671,984,554.75
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10. Total Amount of Commitments:	493,891,804.25
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11. Uncommitted FastTrack:	178,092,750.50
12. Percentage Committed:	73.5%
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13. Amount of Proposed Grants or Loans:	53,240,000.00
14. Uncommitted FastTrack Balance if Proposed Grants or Loans Approved:	124,852,750.50
15. Percentage Committed:	81.4%

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: 2/17/20



## Department of Economic and Community Development

Stuart C. McWhorter  
Deputy Governor &  
TNECD Commissioner

Bill Lee  
Governor

February 23, 2026

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. Alu Materials America Inc and GRT America, Inc. – Halls (Lauderdale County)**

Founded in 1956, ALUKO Group has been at the forefront of Korea’s aluminum extrusion and nonferrous materials industry, setting the standard for innovation and excellence. Our diverse product portfolio spans industrial applications, including display devices, mobile devices, vehicles, ships, solar module frames and secondary battery cases, as well as construction materials such as aluminum sheets, curtain walls and structural frameworks. Guided by an unwavering commitment to technological advancement and quality, ALUKO Group is dedicated to becoming a global leader in the aluminum industry.

ALUKO Group will locate its integrated aluminum manufacturing operations in the former Tupperware building in Halls, Tennessee. Once operational, the retrofitted facility will further support and expand the company’s customer base across the electric vehicle (EV), solar energy, construction and building industries.

Alu Materials America Inc and GRT America, Inc. have committed to create 285 net new jobs and make a \$107,781,658 capital investment within 5 years. The company will have an average hourly wage of \$25.28 for the new positions.



## Department of Economic and Community Development

Stuart C. McWhorter  
Deputy Governor &  
TNECD Commissioner

Bill Lee  
Governor

FastTrack Economic Development Grant Funds will help offset expenses such as building expansion, building retrofit, building improvements, and acquisition of real property for a total of \$3,725,000. **(\$3,725,000)**

**Total FastTrack funds for this project - \$3,725,000**

### **2. Eastern Plating, LLC – Newport (Coke County)**

Eastern Plating is a leading electroplating manufacturer and has been operating in Newport since its inception in 1983. The company estimates that Hurricane Helene caused approximately \$10 million in damages if a total rebuild is needed.

Hurricane Helene had a devastating impact on Eastern Plating, LLC and their employees. Over the past 15 months, Eastern Plating has managed to rebuild 14 of the 25 plating lines, bring back over half their business and nearly half their workforce. Eastern Plating is continuing to work hard to gain new business and grow back to the level they were at prior to the flood and possibly even higher.

Eastern Plating, LLC has committed to retain 141 jobs and make a \$3,263,623 capital investment within 5 years. The company will have an average hourly wage of \$21.18 for the retained positions.

FastTrack Job Training Assistance Program funds will be used to retrain the full-time employees for a total of \$2,115,000. **(\$2,115,000)**

**Total FastTrack funds for this project - \$2,115,000**

### **3. American Appliance Products, LLC – Newport (Coke County)**

American Appliance, a subsidiary of SSW Advanced Technologies, manufactures oven racks and components for heating and air conditioning systems.

Hurricane Helene had a devastating impact on American Appliance Products, LLC and their employees. As a result of this catastrophic event, the American Appliance Products facility and equipment experienced flood waters six feet deep wash through the plant with ankle deep mud.

American Appliance Products, LLC has committed to retain 160 jobs and make a \$15,700,000 capital investment within 5 years. The company will have an average hourly wage of \$20.97 for the retained positions.



## Department of Economic and Community Development

Stuart C. McWhorter  
Deputy Governor &  
TNECD Commissioner

Bill Lee  
Governor

FastTrack Job Training Assistance Program funds will be used to retrain the full-time employees for a total of \$2,400,000. **(\$2,400,000)**

**Total FastTrack funds for this project - \$2,400,000**

#### **4. Korea Zinc Company, Limited and CRUCIBLE METALS, LLC – Clarksville (Montgomery County) and Gordonsville (Smith County)**

Korea Zinc is a world leading non-ferrous metal manufacturing company and a KOSPI-listed corporation. The company operates a diversified business portfolio spanning non-ferrous metal smelting and refining, strategic mineral-based materials manufacturing, renewable energy and green hydrogen projects, resource recycling, and secondary battery materials. Korea Zinc produces and supplies a broad portfolio of metals, including zinc, lead, and copper, precious metals such as gold and silver, and strategic metals including antimony, indium, bismuth, tellurium, gallium, and germanium. Leveraging its advanced smelting and refining technologies, the company is expanding into battery-related metals and advanced materials, while strengthening its resource recycling business focused on metal recovery and refining.

As part of its production efforts, Korea Zinc will create 420 new jobs in Montgomery County and an additional 320 jobs in Smith County over the next five years. The multi-county project comprises construction of a new facility in Clarksville that will house the company's U.S. headquarters as well as manufacturing operations. In Gordonsville, the company plans to reopen a former mine, bringing back lost jobs and industry to the community.

Korea Zinc Company, Limited and CRUCIBLE METALS, LLC has committed to create 740 net new jobs (420 new jobs in Montgomery County and an additional 320 jobs in Smith County) and make a \$6,000,000,000 capital investment within 5 years. The company will have an average hourly wage of \$48.92 for the new positions.

FastTrack Economic Development Grant Funds will help offset expenses such as new building construction and acquisition of real property for a total of \$45,000,000. **(\$45,000,000)**

**Total FastTrack funds for this project - \$45,000,000**

Sincerely,

Stuart McWhorter

SM/js

## State Funding Board FastTrack Checklist

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

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

	TYPE OF FUNDING	RECIPIENT ENTITY	GRANT AMOUNT	LOAN AMOUNT
	INFRASTRUCTURE			
	TRAINING*			
	ECONOMIC DEVELOPMENT	Lauderdale County	\$3,725,000	
	TOTAL		\$3,725,000	

(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): Alu Materials America Inc and GRT America, Inc.**

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

### GENERAL STATUTORY COMPLIANCE

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

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

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

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

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

**TRAINING**

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

**INFRASTRUCTURE**

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

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

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

**ECONOMIC DEVELOPMENT**

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

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



Commissioner of Economic and Community Development

1/21/26

Date



Tennessee Department of Economic and Community Development

Stuart C. McWhorter  
Deputy Governor &  
TNECD Commissioner

Bill Lee  
Governor

November 24, 2025

**INCENTIVE ACCEPTANCE FORM**

This form serves as notice that Alu Materials America Inc; Alutec Co LTD intends, in good faith, to create 285 private sector jobs in Halls, Lauderdale County and make a capital investment of \$107,781,658 in exchange for incentives that will be memorialized in a grant agreement between Alu Materials America Inc; Alutec Co LTD 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:	\$ 3,725,000
<b>Total ECD Commitment:</b>	<b>\$ 3,725,000</b>

Please sign your name in the space below to signify Alu Materials America Inc; Alutec Co LTD's acceptance of ECD's offer set forth above and return it by February 22, 2026 to:

Tennessee Department of Economic and Community Development  
Attn: Scottie Tudor  
312 Rosa Parks Avenue, 27th Floor  
Nashville, TN 37243  
Scottie.Tudor@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: 11/24/2025



## Tennessee Department of Economic and Community Development

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Stuart C. McWhorter  
Deputy Governor &  
TNECD Commissioner

Bill Lee  
Governor

February 23, 2026

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 Lauderdale County for the benefit of Alu Materials America Inc and GRT America, Inc. in the amount of \$3,725,000 to offset the costs Alu Materials America Inc and GRT America, Inc. will incur in building expansion, building retrofit, building improvements, 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. Alu Materials America Inc and GRT America, Inc. have committed to create 285 net new jobs and make a \$107,781,658 capital investment within 5 years. The company will have an average hourly wage of \$25.28 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 C. 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*	Eastern Plating, LLC	\$2,115,000	
	ECONOMIC DEVELOPMENT			
	TOTAL		\$2,115,000	

(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): Eastern Plating, 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

1/21/26

Date



## Department of Economic and Community Development

Stuart McWhorter  
Commissioner

Bill Lee  
Governor

June 5, 2025

### INCENTIVE ACCEPTANCE FORM

This form serves as notice that Eastern Plating, LLC intends, in good faith, to retain 141 private sector jobs in Newport, Cocke County and make a capital investment of \$3,263,623 in exchange for incentives that will be memorialized in a grant agreement between Eastern Plating, 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.

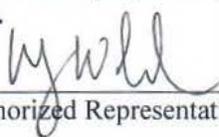
#### ECD OFFER SUMMARY

FastTrack Job Training Grant:	\$ 2,115,000
<b>Total ECD Commitment:</b>	<b>\$ 2,115,000</b>

Please sign your name in the space below to signify Eastern Plating, LLC's acceptance of ECD's offer set forth above and return it by September 3, 2025, 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:   
(Authorized Representative of Company)

Date: 6/13/2025

## 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 Appliance Products, LLC	\$2,400,000	
	ECONOMIC DEVELOPMENT			
	<b>TOTAL</b>		<b>\$2,400,000</b>	

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

**\*ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity): American Appliance Products, LLC**

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

### GENERAL STATUTORY COMPLIANCE

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

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

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

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

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

**TRAINING**

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

**INFRASTRUCTURE**

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

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

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

**ECONOMIC DEVELOPMENT**

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

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



Commissioner of Economic and Community Development

1/21/26

Date



Tennessee Department of Economic and Community Development

Stuart C. McWhorter
Deputy Governor &
TNECD Commissioner

Bill Lee
Governor

November 12, 2025

INCENTIVE ACCEPTANCE FORM

This form serves as notice that American Appliance Products, LLC intends, in good faith, to create 160 private sector jobs in Newport, Cocke County and make a capital investment of \$15,700,000 in exchange for incentives that will be memorialized in a grant agreement between American Appliance Products, 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: \$ 2,400,000
Total ECD Commitment: \$ 2,400,000

Please sign your name in the space below to signify American Appliance Products, LLC's acceptance of ECD's offer set forth above and return it by February 10, 2026 to:

Tennessee Department of Economic and Community Development
Attn: Scottie Tudor
312 Rosa Parks Avenue, 27th Floor
Nashville, TN 37243
Scottie.Tudor@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: [Handwritten Signature]
STEVEN C. KOSS, CFO (Nov 13, 2025 16:35:32 EST)
(Authorized Representative of Company)

Date: Nov 13, 2025

## State Funding Board FastTrack Checklist

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

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

	TYPE OF FUNDING	RECIPIENT ENTITY	GRANT AMOUNT	LOAN AMOUNT
	INFRASTRUCTURE			
	TRAINING*			
	ECONOMIC DEVELOPMENT	<b>The Industrial Development Board of The County of Montgomery</b>	<b>\$45,000,000</b>	
	<b>TOTAL</b>		<b>\$45,000,000</b>	

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

**\*ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity): Korea Zinc Company, Limited and CRUCIBLE 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)?  
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

1/21/26

Date



## Tennessee Department of Economic and Community Development

Stuart C. McWhorter  
Deputy Governor &  
TNECD Commissioner

Bill Lee  
Governor

December 10, 2025

### INCENTIVE ACCEPTANCE FORM

This form serves as notice that Korea Zinc Company, Limited intends, in good faith, to create 420 private sector jobs in Clarksville, Montgomery County and make a capital investment of \$6,000,000,000 and create 320 private sector jobs in Gordonsville, Smith County for a total of 740 private sector jobs in exchange for incentives that will be memorialized in a grant agreement between Korea Zinc Company, Limited and the State of Tennessee. New jobs must be in addition to the company's baseline of 340 jobs at the Clarksville, Tennessee operation.

#### ECD OFFER SUMMARY

FastTrack Economic Development Grant:	\$ 45,000,000
<b>Total ECD Commitment:</b>	<b>\$ 45,000,000</b>

Please sign your name in the space below to signify Korea Zinc Company, Limited's acceptance of ECD's offer set forth above and return it by March 9, 2026 to:

Tennessee Department of Economic and Community Development  
Attn: Scottie Tudor  
312 Rosa Parks Avenue, 27th Floor  
Nashville, TN 37243  
Scottie.Tudor@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: Kiwon Park  
(Authorized Representative of Company)  
President Crucible Metals

Date: DEC. 14, 2025 (ET)



## Tennessee Department of Economic and Community Development

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Stuart C. McWhorter  
Deputy Governor &  
TNECD Commissioner

Bill Lee  
Governor

February 23, 2026

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 Montgomery for the benefit of Korea Zinc Company, Limited and CRUCIBLE METALS, LLC in the amount of \$45,000,000 to offset the costs Korea Zinc Company, Limited and CRUCIBLE METALS, LLC 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 jobs and capital investment. Korea Zinc Company, Limited and CRUCIBLE METALS, LLC has committed to create 740 net new jobs (420 new jobs in Montgomery County and an additional 320 jobs in Smith County) and make a \$6,000,000,000 capital investment within 5 years. The company will have an average hourly wage of \$48.92 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 C. McWhorter".

Stuart McWhorter

SM/js



JASON E. MUMPOWER  
*Comptroller*

## Tennessee State Funding Board Guidelines Public Comment Policy

### I. Background

Public Chapter 300, Acts of 2023 creates transparency by requiring any governing body, as defined by the Tennessee Open Meetings Act, to reserve a period for public comment on matters that are germane to items on the agenda for each meeting.

### II. Restrictions for Public Comment at Meetings

- A. Written notification to request to speak at a meeting must be sent to and received by email to the Assistant Secretary of the Tennessee State Funding Board at [SGF@cot.tn.gov](mailto:SGF@cot.tn.gov) two business days in advance of the meeting. The email should include the proposed speaker's name, the agenda item(s) upon which the speaker wishes to comment, and whether the speaker's comments will be in favor of or opposed to the agenda item(s). Speakers will be selected on a first-come first-served basis.
- B. The public comment period will be held at the beginning of the meeting once the meeting is called to order and a quorum has been established.
- C. Speakers will be limited to two minutes per person per agenda item, with a maximum of two speakers in favor of and two speakers opposed to each agenda item.
- D. Speakers must identify themselves at the beginning of their allotted time and stay on topic of the agenda item(s) that they have indicated their desire to speak on when addressing the board.
- E. Speakers should conduct themselves in a respectful manner and will be asked to remove themselves if they engage in threatening or obscene behavior.
- F. The Board, in its discretion, may ask relevant questions of any speakers providing public comment. Such question period will not include the speaker's allotted time frame.
- G. The Chairman may extend the allotted time frame or the number of speakers for a particular agenda item if the Chairman determines that the circumstances reasonably require it. If the Chairman extends the allotted time frame or the number of speakers, the Chairman shall ensure that an equal extension is granted to both those in favor of and opposed to any agenda item subject to an extension.

*Approved by the State Funding Board at its meeting on June 27, 2023*

*Amended by the State Funding Board at its meeting on February 23, 2026.*



JASON E. MUMPOWER  
Comptroller

To: State Funding Board Members  
From: Steve Osborne, Assistant Director  
Division of Local Government Finance (LGF)  
Date: January 26, 2026  
Subject: Notices of Default on Metro Nashville IDB Series 2015 Bonds

### Insufficiency of Funds – Bellevue Mall Project

The Industrial Development Board of the Metropolitan Government of Nashville and Davidson County (the “IDB”) filed two notices of default in connection with insufficiency of funds for its \$21,935,000 Tax Increment Revenue Bonds (the Bellevue Mall Project), Series 2015. For the fourth consecutive year, the debt service reserve fund has been exhausted for the bonds.

<b>Date</b>	<b>June 1, 2025</b>
Amount	\$ 709,418.59
Type of Default	Insufficient Funds (not a default under the bond indenture*)
Posted on EMMA	June 6, 2025
Filed with LGF	December 9, 2025

<b>Date</b>	<b>December 1, 2025</b>
Amount	\$ 730,618.75
Type of Default	Insufficient Funds (not a default under the bond indenture*)
Posted on EMMA	December 5, 2025
Filed with LGF	December 5, 2025

*\* When secured revenue is not sufficient to make a debt service payment, it is not a default under the bond indenture.*

*According to the December 2025 event notice posted on EMMA: . . .sufficient funds were not available to fund the scheduled June 1 debt service payment, leaving an unpaid balance of \$709,418.59 for the payment on June 1, 2025. The Industrial Development Board hereby further provides notice that sufficient funds were not available to fund the scheduled December 1 debt service payment, leaving an unpaid balance of \$730,618.75 for the payment on December 1, 2025. Based on projected tax increment revenues there may be insufficient revenues to fully fund future debt service payments.*

Pursuant to State Funding Board Guidelines, IDBs are required to provide the Board notice of default, including insufficiency of funds not defined as a default under a bond indenture, within 15 days of the event. The December 2025 notice was filed timely, while the June 2025 notice was filed late.

## Series 2015 Bonds

*History* — The Series 2015 Bonds were issued on December 31, 2015, and the first three years of debt service (2016, 2017, and 2018) were met by using capitalized interest payments. Debt service reserve funds were needed beginning with the 2019 payment, which was the first year the payments from capitalized interest ended. Debt service reserve funds continued to be used in 2020 and 2021. However, revenues and draws upon the debt service reserve funds in 2022, 2023, 2024, June 2025, and December 2025, were insufficient to make the required debt service payments, by \$45,690.99, \$395,404.85, \$789,688.71, \$709,418.59, and \$730,618.75, respectively.

*Security, Type of Sale, and Investors* — The Series 2015 Bonds are secured by Tax Incremental Financing (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, accordingly, the IDB is not in default with its bondholders.

The bonds were sold by private placement and the IDB 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 TIF revenues 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, and the definition of default under the indenture, refer to the following excerpts from the private placement memorandum:

### 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.

As noted above, this is the third notice of default for the Series 2015 Bonds. Following is a history of defaults (i.e., insufficient funds) reported to the State Funding Board:

Date of Default	Date Posted on EMMA	Date Filed with LGF	Default Description	Series 2015 Monetary Defaults	Date Reported to State Funding Board
12/1/2022	12/9/2022	12/16/2022	Semi-annual interest payment	\$ 45,691	2/15/2022
12/1/2023	12/27/2023	12/27/2023	Semi-annual interest payment	395,405	3/25/2024
12/1/2024	12/2/2024	12/2/2024	Semi-annual interest payment	789,689	12/16/2024
6/1/2025	6/6/2025	12/9/2025	Principal & semi-annual interest payment	709,349	1/26/2026
12/1/2025	12/5/2025	12/5/2025	Semi-annual interest payment	730,619	1/26/2026
<b>Total Monetary Defaults</b>				<b>\$ 2,670,753</b>	

**Enclosures:**

From the IDB’s Notices of Default Submitted on December 5, 2025, and December 9, 2025

1. Email notifications
2. Adverse Debt Event Reporting Forms: Notice of Debt Default (Pursuant to TCA § 7-53-304)
3. EMMA Event Notice Filings (Pursuant to the Continuing Disclosure Undertakings)
4. Private Placement Memorandum

**From:** [Corbin I. Carpenter](#)  
**To:** [LGF](#); [Charlie Lester](#); [Sandi Thompson](#); [Ron Queen](#); [Whitney Playl](#)  
**Cc:** [Reed, Jenneen \(Finance\)](#); [Brown, Kevin \(Finance\)](#); [Pilkington, Seth \(Finance\)](#); [Sepik, Sharon \(Finance\)](#); [Hoeffner, Heidi \(Finance - Treasury\)](#); [McGee, Tammara \(Finance - Treasury\)](#); [wally.dietz@nashville.gov](mailto:wally.dietz@nashville.gov); [Thomas, Joshua \(Legal\)](#); [Brown, Jamari](#); [Charles E. Carpenter](#); [Garrison Green](#); [Cheryl Patterson](#); [Katrina Shepherd](#); [Sariah Bell](#)  
**Subject:** The Industrial Development Board of The Metropolitan Government of Nashville and Davidson County (T.C.A. 7-53-304(b)) Notice of Debt Default Filing  
**Date:** Friday, December 5, 2025 11:00:56 AM  
**Attachments:** [Metro Nashville Industrial Development Board Debt Service Shortfall Filing \(Final\) \(With Filing Certificate\) 12.05.2025.pdf](#)  
[Metro Nashville IDB Notice of Default on Debt Obligation \(Final\) 12.05.2025.pdf](#)  
[Adverse Debt Form Debt Default Fillable \(Metro Nashville Industrial Development Board\) 12.05.2025.pdf](#)  
[Metro IDB TIF Revenue Bonds \(Bellevue Mall Project\), Series 2015 \(Private Placement Memorandum\).pdf](#)  
**Importance:** High

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Good Morning Division of Local Government Finance:

In our role as Disclosure Counsel to The Metropolitan Government of Nashville and Davidson County (the “**Metropolitan Government**”), we are submitting this mandatory filing for Notice of Default of Conduit Financing Debt Obligation (the “**Notice of Default**”), on behalf of The Industrial Development Board of The Metropolitan Government of Nashville and Davidson County, Tennessee (the “**Industrial Development Board**”), to the appropriate officials from the Office of the Tennessee State Funding Board and the Office of the Tennessee Comptroller of the Treasury in accordance with the requirements set forth under Tennessee Code Annotated Section 7-53-304 *et seq.*, as amended.

We have included for your acknowledgment and review the following documentation pertaining to the Notice of Default by the Industrial Development Board with the corresponding attachments, to wit:

1. The Event Notice Filing, dated December 5, 2025, filed on EMMA pertaining to the Notice of Default;
2. The Notice of Default of Conduit Financing Debt Obligation filing submission to your offices (dated December 5, 2025);
3. The Adverse Debt Event Reporting Form (Notice of Debt Default Form) (dated December 5, 2025); and
4. The Private Placement Memorandum issued in connection with the issuance and delivery of the Industrial Development Board’s \$21,935,000 Series 2015 Bonds captioned as “The Industrial Development Board of The Metropolitan Government of Nashville and Davidson County, Tennessee Tax Increment Revenue Bonds (Bellevue Mall Project) Series 2015”

Please confirm receipt and advise if you need anything further from me. Thanks, CIC.

**Corbin I. Carpenter, Esquire**  
Managing Member  
Three Eight Six Beale Street  
Memphis, Tennessee 38103  
Phone: 901.523.7788  
Fax: 901.523.2849  
Cell: 901.603.8170  
[www.CarpenterLaw1978.com](http://www.CarpenterLaw1978.com)



# Adverse Debt Event Reporting Form

## Notice of Debt Default

*This form is pursuant to and authorized by Tenn. Code Ann. § 9-21-134(d) and Tennessee State Funding Board Guidelines for Debt Reporting by Public Entities.*

Complete the following form. Email the completed form **and** either a copy of the loan documents, lease agreement, or other agreement to [LGF@cot.tn.gov](mailto:LGF@cot.tn.gov).

### Step 1: Entity Name and Address

Enter Entity Name →

Street Address / P.O. Box →

City, State, Zip Code →

### Step 2: Contact Information

The authorized entity representative is meant to be the main contact our office can speak with on issues pertaining to the entity or referenced debt. For example, Chief Operating Officer, Chief Financial Officer, Counsel, Financial Advisor, etc.

	Authorized Entity Representative	Form Preparer
Name →	<input type="text"/>	<input type="text"/>
Title →	<input type="text"/>	<input type="text"/>
Firm (or Gov) →	<input type="text"/>	<input type="text"/>
Phone →	<input type="text"/>	<input type="text"/>
Email →	<input type="text"/>	<input type="text"/>

### Step 3: Information on Defaulted Debt Issue

Name of Debt →	<input type="text"/>
Amount of Debt →	<input type="text"/>
Type of Debt →	<input type="text"/>

Adverse Debt Event Reporting Form  
Notice of Debt Default

Security →		
Original Amount →		
Indicate Interest Type →	Fixed	Variable
Call Date →		
Has Put Option? →	Yes	No
Dated Date →		
Closing Date →		
<b>Step 4: Information on Default Event</b>		
Type of Default →		
Date of Default →		
Default Date as Reported on EMMA →		
Reason for Default →		
Plan to Cure →		
<b>Step 5: Additional Comments (Optional)</b>		
The field below is optional. If no additional comments are available, leave the field below blank.		
<b>Step 6: Signatures</b>		
If completing the form electronically, click within the applicable signature box and type your name.		
	Authorized Representative	Preparer
Signature →		
Date →		

**The Metropolitan Government of Nashville and Davidson County, TN**

**Municipal Market Disclosure Information Cover Sheet**

**Type of Filing:**

**PRINCIPAL / INTEREST PAYMENT DELINQUENCY; UNSCHEDULED DRAW ON DEBT SERVICE RESERVE REFLECTING FINANCIAL DIFFICULTIES**

Principal and interest payment delinquency June 1, 2025; Unscheduled draw on debt service reserve fund reflecting financial difficulties June 1, 2025

**Date of Filing:**

<b><u>Certification Authorized by</u></b>	<b><u>Disclosure Dissemination Agent Contact</u></b>
Name: Corbin I. Carpenter, Esquire Title: Disclosure Counsel Entity: The Metropolitan Government of Nashville and Davidson County, TN	DAC 315 East Robinson Street, Suite 300, Orlando, FL 32801-1674 407 515 - 1100 emmaagent@dacbond.com

This information is also available on DAC’s website: [www.dacbond.com](http://www.dacbond.com)

**Signature of Issuer:** Corbin I. Carpenter, Esquire /s/

The information set forth herein has been obtained from the obligated entity and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a promise or guarantee. This Principal / Interest Payment Delinquency; Unscheduled Draw on Debt Service Reserve Reflecting Financial Difficulties may contain, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they may be realized. The information and expressions of opinion contained herein are subject to change without notice, and the delivery of this Principal / Interest Payment Delinquency; Unscheduled Draw on Debt Service Reserve Reflecting Financial Difficulties will not, under any circumstances, create any implication that there have been no changes in the affairs of the entity, or other matters described.

**This Filing Applies to:**

1. The Industrial Development Board of the Metropolitan Government of Nashville and Davidson County (Tennessee), Tax Increment Revenue Bonds (Bellevue Mall Project), Series 2015, \$21,935,000, Dated: December 31, 2015

**CUSIPS:** 592111BG2

**THE METROPOLITAN GOVERNMENT OF  
NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)**



**Obligated Person:** 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:** Disclosure of information regarding the Industrial Development’s Board \$21,935,000 Tax Increment Revenue Bonds (Bellevue Mall Project) Series 2015 (the “Bonds”)

**Type of Disclosure:** Reporting Specified Events as set forth in Section 5 of the Undertaking

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

**THE INDUSTRIAL DEVELOPMENT BOARD IS POSTING THIS EVENT NOTICE FILING AS AN EVENT DISCLOSURE PURSUANT TO ITS EXISTING CONTINUING DISCLOSURE UNDERTAKINGS. THE INDUSTRIAL DEVELOPMENT BOARD HAS NO INTENTION OR OBLIGATION TO PROVIDE ANY UPDATE TO THIS EVENT NOTICE FILING OR THE SUBJECT MATTER CONTAINED HEREIN SUBSEQUENT TO ITS POSTING. ANY OBLIGATION TO DO SO IS EXPRESSLY DISCLAIMED BY THE INDUSTRIAL DEVELOPMENT BOARD.**

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 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 Retail 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 entered into a continuing disclosure undertaking in connection with its \$21,935,000 Tax Increment Revenue Bonds (Bellevue Mall Project) Series 2015 (the “**Undertaking**”), as an “obligated person” under Rule 15c2-12 of the Securities and Exchange Act of 1934, as amended (the “**Rule**”). The Undertaking incorporated certain requirements, wherein if one or more of the enumerated specified events occurs then, the Industrial Development Board shall disclose to the Municipal Securities Rulemaking Board (“**MSRB**”), in an electronic format, such information regarding the occurrence of the applicable specified event(s) not later than ten (10) business days after the occurrence of such event(s).

The Bonds are special and limited obligations of the Industrial Development Board, and none of the industrial development boards, the State of Tennessee, nor any political subdivision thereof, including the Industrial Development Board, 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 from funds pledged under the Indenture and is 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 June 1 debt service payment, requiring funds to be transferred from the debt service reserve fund, leaving an unpaid balance of \$709,349.08 for the payment on June 1, 2025.

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 a debt service delinquency is not a default under the Indenture and the other applicable Bond documents, but it does require the public filing of an Event Notice.

The Industrial Development Board further provides notice that, pursuant to and in accordance with the terms of the Indenture and Undertaking governing the Bonds, revenues available to pay scheduled debt service on the Bonds on June 1, 2025, including the transfer from the debt service reserve fund left an unpaid balance of \$709,349.08.

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**Date: June 6, 2025.**

**THE METROPOLITAN GOVERNMENT OF  
NASHVILLE AND DAVIDSON COUNTY**

By: /s/ Seth Pilkington  
**Seth Pilkington**  
**Metropolitan Treasurer**

**Acknowledged:**

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

By: /s/ Nigel Hodge  
**Nigel Hodge**  
**Board Chairman**



## Adverse Debt Event Reporting Form

### Notice of Debt Default

*This form is pursuant to and authorized by Tenn. Code Ann. § 9-21-134(d) and Tennessee State Funding Board Guidelines for Debt Reporting by Public Entities.*

Complete the following form. Email the completed form **and** either a copy of the loan documents, lease agreement, or other agreement to [LGF@cot.tn.gov](mailto:LGF@cot.tn.gov).

#### Step 1: Entity Name and Address

Enter Entity Name →

Street Address / P.O. Box →

City, State, Zip Code →

#### Step 2: Contact Information

The authorized entity representative is meant to be the main contact our office can speak with on issues pertaining to the entity or referenced debt. For example, Chief Operating Officer, Chief Financial Officer, Counsel, Financial Advisor, etc.

	Authorized Entity Representative	Form Preparer
Name →	Jamari Brown	Corbin I. Carpenter, Esquire
Title →	Executive Director	Issuer Counsel/Disclosure Counsel
Firm (or Gov) →	Metropolitan Nashville Government Economic and Community Development	Carpenter Law, PLLC
Phone →	615-862-4701	901-523-7788
Email →	jamari.brown@nashville.gov	corbinc@386beale.com

#### Step 3: Information on Defaulted Debt Issue

Name of Debt →	Tax Increment Revenue Bonds (Bellevue Mall Project), Series 2015
Amount of Debt →	\$ 21,935,000
Type of Debt →	Revenue Bonds

Adverse Debt Event Reporting Form  
Notice of Debt Default

Security →	Incremental ad valorem real property and personal property taxes levied upon certain designated properties within the Plan	
Original Amount →	\$ 21,935,000	
Indicate Interest Type →	<input checked="" type="radio"/> Fixed <input type="radio"/> Variable	
Call Date →	The Bonds are subject to scheduled mandatory sinking payment redemption in part on each June 1 from June 1, 2019 to maturity which is June 1, 2038	
Has Put Option? →	<input type="radio"/> Yes <input checked="" type="radio"/> No	
Dated Date →	December 31, 2015	
Closing Date →	December 31, 2015	
<b>Step 4: Information on Default Event</b>		
Type of Default →	Monetary	
Date of Default →	June 1, 2025	
Default Date as Reported on EMMA →	June 6, 2025	
Reason for Default →	Lack of sufficient cash flow of pledged revenues to make scheduled debt service payments for the Bonds	
Plan to Cure →	There is no plan to cure. Based on projected tax increment revenues there may be insufficient revenues to fully fund future debt service payments.	
<b>Step 5: Additional Comments (Optional)</b>		
The field below is optional. If no additional comments are available, leave the field below blank.		
For additional information, please see the EMMA filing made on June 6, 2025 pertaining to this matter.		
<b>Step 6: Signatures</b>		
If completing the form electronically, click within the applicable signature box and type your name.		
	Authorized Representative	Preparer
Signature →	Jamari Brown	Corbin I. Carpenter, Esquire
Date →	12/9/2025	12/9/2025

**The Metropolitan Government of Nashville and Davidson County, TN**

**Municipal Market Disclosure Information Cover Sheet**

**Type of Filing:**

**PRINCIPAL / INTEREST PAYMENT DELINQUENCY; UNSCHEDULED DRAW ON DEBT SERVICE RESERVE REFLECTING FINANCIAL DIFFICULTIES**

Principal and interest payment delinquency June 1, 2025; Unscheduled draw on debt service reserve fund reflecting financial difficulties June 1, 2025

**Date of Filing:**

<b><u>Certification Authorized by</u></b>	<b><u>Disclosure Dissemination Agent Contact</u></b>
Name: Corbin I. Carpenter, Esquire Title: Disclosure Counsel Entity: The Metropolitan Government of Nashville and Davidson County, TN	DAC 315 East Robinson Street, Suite 300, Orlando, FL 32801-1674 407 515 - 1100 emmaagent@dacbond.com

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**Signature of Issuer:** Corbin I. Carpenter, Esquire /s/

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**CUSIPS:** 592111BG2

**THE METROPOLITAN GOVERNMENT OF  
NASHVILLE AND DAVIDSON COUNTY (TENNESSEE)**



**Obligated Person:** 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:** Disclosure of information regarding the Industrial Development’s Board \$21,935,000 Tax Increment Revenue Bonds (Bellevue Mall Project) Series 2015 (the “Bonds”)

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**Date: June 6, 2025.**

**THE METROPOLITAN GOVERNMENT OF  
NASHVILLE AND DAVIDSON COUNTY**

By: /s/ Seth Pilkington  
**Seth Pilkington**  
**Metropolitan Treasurer**

**Acknowledged:**

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

By: /s/ Nigel Hodge  
**Nigel Hodge**  
**Board Chairman**

# TENNESSEE STATE VETERANS' HOMES BOARD

## AUDIT HIGHLIGHTS

### Tennessee State Veterans' Homes Board's Mission

*All residents are cared for in such a manner and in such an environment as to promote enhancement of their quality of life without abridging the safety and rights of other residents. An interdisciplinary team approach to resident life is utilized to assure the quality of life. Residents and family members are involved in the care planning process and resident participation is encouraged through a functioning resident council. Residents' rights are posted and enforced as delineated in current federal and state standards.*

### Audit Period

July 1, 2022, through June 30, 2025

### Scheduled Termination Date

June 30, 2026

### Key Audit Conclusions

*Finding 1:* Management has not developed a specific financial plan or strategy to address the veterans' homes' financial position (page 16).

*Finding 2:* Staff at two veterans' homes did not obtain written authorization to manage personal funds, did not follow resident trust fund withdrawal procedures, and did not accurately perform monthly reconciliations (page 21).

*Finding 3:* The board and management have not effectively addressed the nursing staff turnover to ensure residents receive consistent quality care and the homes operate efficiently (page 35).

*Finding 4:* Management improperly claimed reimbursement from the federal nurse retention grant (page 38).

*Finding 5:* As noted in the prior two audits, management did not perform or document timely supplemental clinical assessments as required by board policy (page 44).

*Finding 6:* Veterans' homes' management did not maintain sufficient controls to monitor mental health providers to ensure residents received the services that providers billed to the homes (page 50).

*Observation 1:* Staff at one veterans' home did not sufficiently document and update lists of residents' personal property (page 25).

*Observation 2:* Veterans' homes' management did not consistently and effectively ensure that veterans' homes maintained average or above-average federal quality ratings (page 28).

*Observation 3:* Management paid out retention bonuses to employees, but did not attempt to collect the unearned portion of the bonuses when the employees resigned or terminated employment (page 40).

*Observation 4:* Staff did not ensure that all residents who received in-house specialist services had consented to the services (page 53).

*Observation 5:* Management should ensure staff consistently follow policies when addressing complaints and follow regulations when reporting and investigating allegations of abuse (page 58).

*Observation 6:* As noted in the two previous audits, management should follow the state's rule governing wait lists for the veterans' homes (page 63).

**Tennessee State Veterans Homes Board  
Presentation to State Funding Board  
February 23, 2026**

**Financial Summary July 2025 through January 2026**

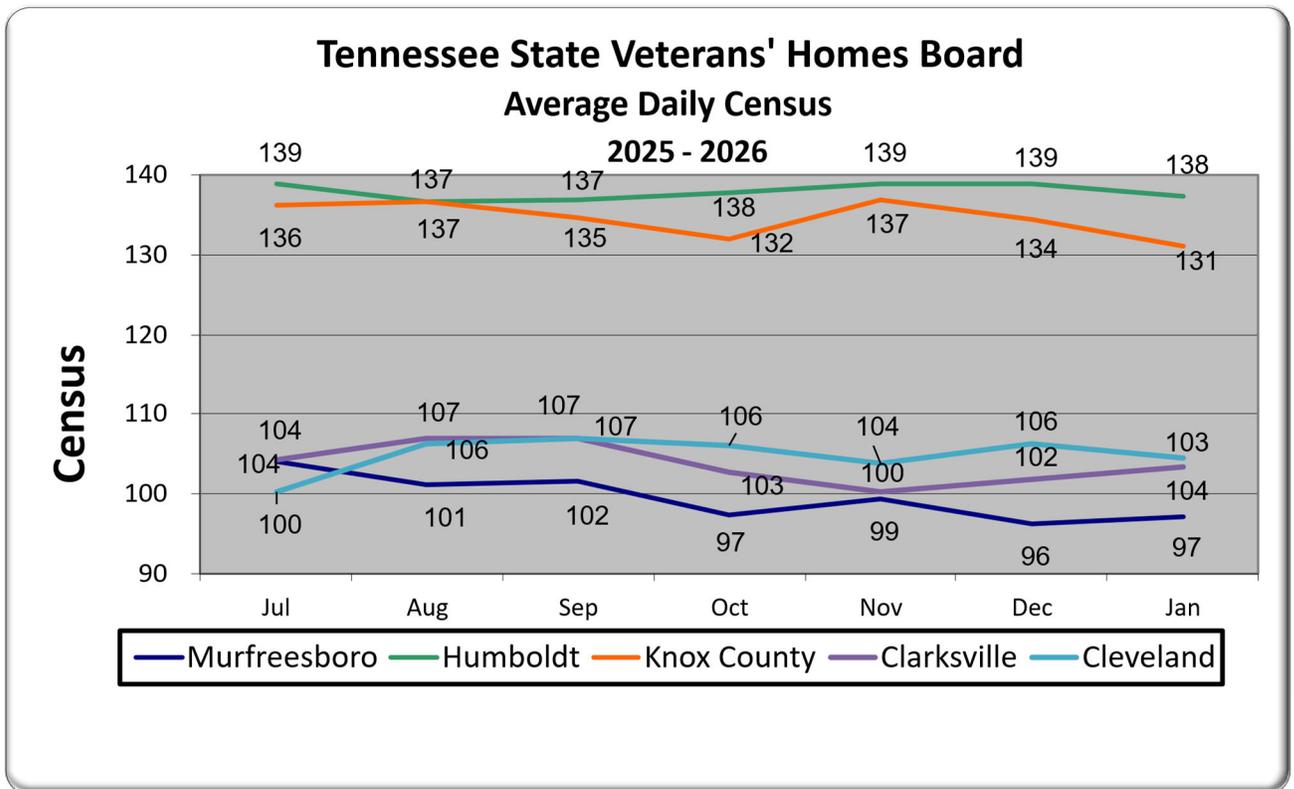
**Year to Date Summary of Financial Operations**

The financial summary covers year-to-date operations through January 2026 for home office and facilities.

Year-to-Date	Home Office	Murfreesboro	Humboldt	Knox County	Clarksville	Cleveland	Arlington	Total
Actual	(\$9)	\$ (86,896)	\$1,339,822	\$88,538	\$(718,977)	\$844,105	\$(61,048)	\$1,405,535
EBITDA	\$1,153	\$158,130	\$1,551,562	\$302,810	\$(298,160)	\$1,563,067	\$(61,048)	\$3,217,514

Net revenue reported is higher than budget mainly due to the occupancy rate being higher than budgeted at three out of five facilities. Management continues to control expenses.

The following chart shows the average daily census for the four homes. Murfreesboro, Humboldt and Knox County each has 140 beds dually certified for Medicaid and Medicare. Clarksville and Cleveland have 108 dually certified for Medicaid and Medicare.



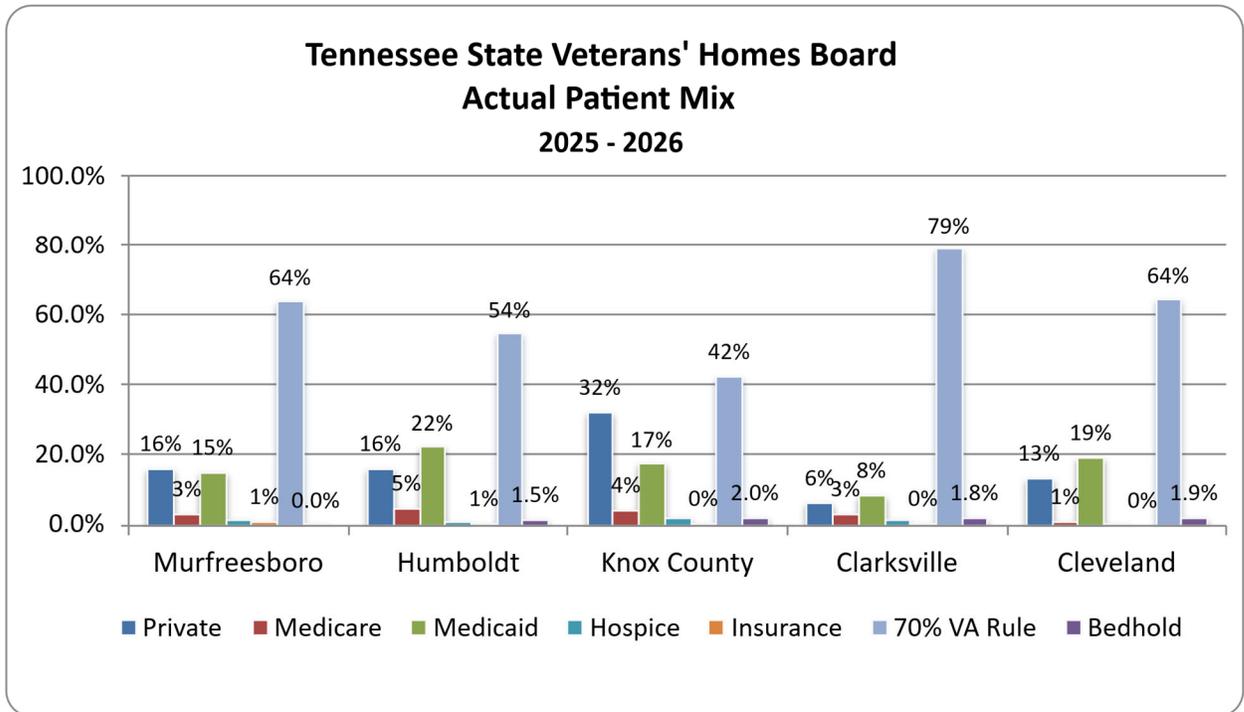
**Tennessee State Veterans Homes Board  
Presentation to State Funding Board  
February 23, 2026**

For the month of January 2026, each facility is reporting the following average daily census (ADC) and occupancy information:

<u>Facility</u>	<u>ADC</u>	<u>Occupancy</u>
Murfreesboro	97	69.4%
Humboldt	138	98.2%
Knox County	134	93.6%
Clarksville	103	95.8%
Cleveland	104	96.7%

The occupancy rate at four of the five homes exceeds the state occupancy rate of 71.1%.

Patient mix is a key factor and drives revenues for the homes. Patient mix year to date at January 31, 2026, is shown below.



**Tennessee State Veterans Homes Board  
Presentation to State Funding Board  
February 23, 2026**

**LGIP Funds**

Per State law, all funds of the Board are to be held at the Local Government Investment Pool (LGIP). As of January 31, 2026, cash balances at LGIP for the facilities and home office are as follows:

<u>LGIP Funds</u>	<u>Home Office</u>	<u>Murfreesboro</u>	<u>Humboldt</u>	<u>Knox County</u>	<u>Clarksville</u>	<u>Total</u>
Revenue Fund	\$ 1,183,995					\$ 1,183,995
Repair & Replacement		621,328	220,890	817,916	822,658	2,482,792
Debt Service Fund		1,575	2,058		13,506	17,139
Operating Reserve	7,949,465					7,949,465
Technology	1,012					1,012
Special Funds	446,054					446,054
Contributions	53,589					53,589
<b>Total</b>	<b>\$ 9,634,116</b>	<b>\$ 622,903</b>	<b>\$ 222,948</b>	<b>\$ 817,916</b>	<b>\$ 836,164</b>	<b>\$ 12,134,047</b>

**Future Development**

State Veterans' Homes are constructed with a combination of State and Federal money. The Federal portion of the cost of construction, 65%, is provided through the U.S. Department of Veterans Affairs pursuant to U.S. Code Title 38, Chapter 81, Part 59.

Currently Tennessee State Veterans' Homes Board has five projects with approved VA Grants to States for Construction or Acquisition of State Homes.

- Arlington-Shelby County is currently under construction. This project is for the construction of a 126-bed intermediate and skilled care nursing facility in Arlington, Shelby County. Substantial completion is projected for January 2026. Total cost: \$68,846,485.
- Construction is complete on renovations to the Murfreesboro facility. The project is currently in the grant close out process. The grant application was submitted in April 2019. It involves the installation of an additional generator to power the HVAC chillers, a 1900-gallon emergency water supply, and the replacement of aging resident room doors and windows. Total cost: \$2,005,377.
- Construction is complete on renovations to the Humboldt facility. The project is currently in the grant close out process. It involves the installation of an additional generator to power the HVAC chillers, a 1900-gallon emergency water supply, replacing domestic water return piping and the replacement of aging resident room doors. Total cost: \$1,983,831.
- Construction is complete on updates at the Knoxville facility. The project is currently in the grant close out process. The project includes an additional generator to power the HVAC chillers and replacing its single heating boiler with two high-efficiency boilers which reduces the risk of total loss of heating. Total cost: \$493,639.

**Tennessee State Veterans Homes Board  
Presentation to State Funding Board  
February 23, 2026**

In addition to the funded grants above, Tennessee State Veterans' Homes board has grant applications in for the following projects:

- A grant application for new construction (addition) for the Murfreesboro executive offices was submitted in April 2020. It has not yet been approved. This is to address the growth in support staff required for the addition of new homes in Cleveland and Arlington as well as storage needs for the executive office and the Murfreesboro facility. Total cost if constructed in 2025: \$3.03M.
- A grant application was submitted in April 2024 for the replacement of emergency power generators at the Clarksville facility. Three of five generators had catastrophic failures of similar nature within a few months period. Critical parts and support for the installed models are no longer available per the manufacturer. Project cost if constructed in 2025: \$3,110,000.

Tennessee State Veterans' Homes Board has the following project in the planning stages:

- Sullivan County has begun the process for developing a State Veterans' Home. Estimated project costs: \$159,470,000.

#### State Audit

Audit for Fiscal Year Ended June 30, 2024

State Audit entered the field January 16, 2025, for the audit of fiscal year June 30, 2024.

State audit has completed the audit for fiscal year June 30, 2024. TSVHB received three audit findings for fiscal year ended June 30, 2024. This finding pertains to internal controls in one specific area.

Management remains committed to continued improvements in financial reporting, internal controls, and fiscal responsibility. The Board's Audit Committee takes proactive measures in dealing with issues identified by management's review of internal controls as well as those identified from other sources.

#### Performance Audit

On December 15, 2025, Performance Audit issued its report on the operational efficiency and effectiveness of the Board. Although improvement was noted the report includes 6 findings in the following areas:

- Boards Financial Position
- Resident's Trust Funds and Personal Property
- Recruiting and Retaining Staff
- Resident Care and Physician Billing

Management is in the process of implementing policy and procedures to eliminate concerns noted by Performance audit.

**Tennessee State Veterans Homes Board  
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February 23, 2026**

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#### Regulatory Compliance

The Knoxville home is rated at five stars overall. The Humboldt home is rated at four stars overall. The Clarksville home is rated at three stars overall and the Murfreesboro home is currently rated at one star overall. The Cleveland home has no star rating.

The Five-Star Quality Rating System was created to help consumers, their families, and caregivers compare nursing homes more easily. This rating system is based on continued efforts as a result of the Omnibus Reconciliation Act of 1987 (OBRA '87), a nursing home reform act, and more recent quality improvement campaigns such as the Advancing Excellence in America's Nursing Homes, a coalition of consumers, health care providers, and nursing home professionals.

Nursing home ratings are taken from the following four sources of data:

- Health Inspections
- Quality Measures
- Staffing
- Registered Nurse Staffing
- Staff Turn-over

CMS provides a star rating for each of these sources. These ratings are combined to calculate an overall rating.

The Tennessee Department of Health conducts an annual survey of each facility.

The Knoxville survey was completed in February 2024. There were two very minor health deficiencies. The first involved a missing PASRR from 2020. The second involved MDS accuracy.

The TSVH home in Humboldt had their survey in October 2023. There were two minor citations. The first involved a care plan that was not updated. The second involved a staff member touching a bread roll while serving a resident and returning an unused dining tray to the clean tray rack.

The Murfreesboro survey was completed in January 2025. This survey had 5 minor deficiencies. The first, second and third involved the lack of a stop date on a PRN medication. The fourth involved the medication error rate exceeding 5%. The fifth was for an expired medication and improper storage. The sixth was cited when a staff member touched a cracker. The seventh involved failing to properly dispose of an IV bag. A complaint survey was conducted in May 2024. This survey resulted in five immediate jeopardy citations and two minor level citations. The immediate jeopardy citations involved failure to adequately document wound care and two fall investigations; the next was neglected wound care treatment related to missing documentation; failure to alleviate pain with one resident; next was a failure to report an alleged unknown injury; quality assurance was also cited related to the previous listed citations; administration was cited related to the previous listed citations. TSVH has appealed

**Tennessee State Veterans Homes Board  
Presentation to State Funding Board  
February 23, 2026**

all of the immediate jeopardy citations. The two minor citations involved care planning and documentation of bathing.

The Clarksville survey was completed in April 2022. There were two citations. One involved a resident fall. The second involved staff not following infection control screening process.

The Cleveland survey was completed in January 2026. At survey exit we were told to anticipate 6 minor deficiencies. The first one was for no written consent for a medication. The second was a failure to give ABN notices. The third was a self-reported complaint involving a resident-to-resident incident. The fourth was related to MDS accuracy. The fifth was related to a resident's privacy. The sixth was related to enhanced barrier precautions. The official 2567 report has not yet been received.

The average number of health deficiencies cited in Tennessee's long term care facilities standard survey process is 4.7 in West Tennessee and 2.3 in East Tennessee and nationally at 7.4.

The Department of Veterans Affairs conducted annual operational and clinical reviews in all of the homes to ascertain if all requirements of inspection were met: July 2025 (Murfreesboro) – there were 2 minor deficiencies involving a verbal abuse allegation and the failure to properly report a change in Director of Nursing to the VA. January 2026 (Humboldt) - Deficiency Free. March 2025 (Knoxville) – three minor deficiencies involving not measuring a PICC line and a dietary staff member not wearing a beard cover. October 2025 (Clarksville) – 5 minor citations regarding expired syringes, a resident having access to medication, Infection control for a staff member failing to properly don an isolation gown, an employee TB test not being read timely, and a missed laboratory test.

#### Executive Committee

The clinical and financial operation of the Tennessee State Veterans' Homes is closely monitored by the TSVHB Executive Committee. Current financial information shows that implemented cost control efforts, efficiency progress, as well as revenue and census improvements have had their expected and desired results.

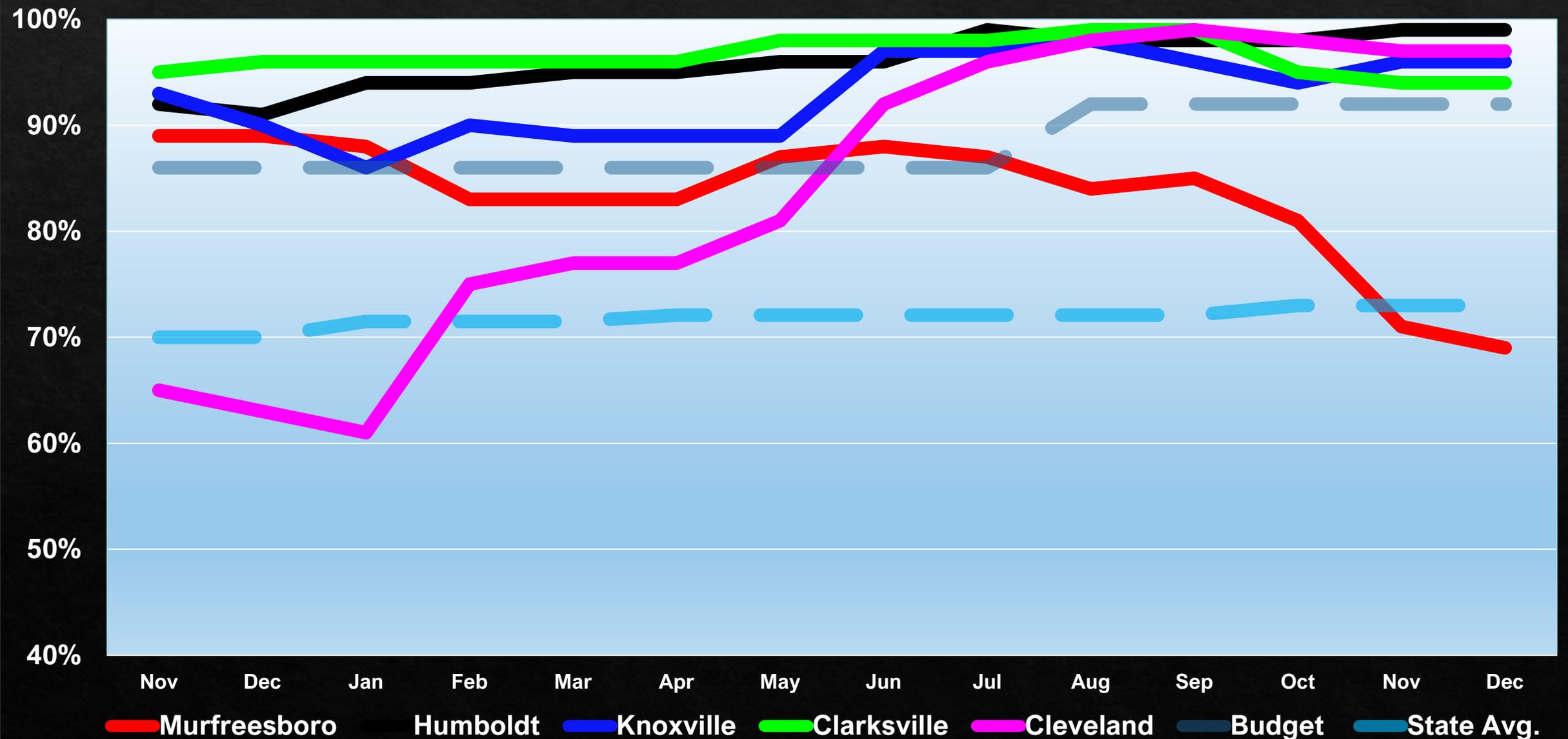
The Board, management and staff remain committed to continued improvements in the financial and clinical operations of the Tennessee State Veterans' Homes.

# Tennessee State Veterans Home Board



**State Funding Board**  
**February 23, 2026**

# Percent of Occupancy



# January 2026 YTD

Home Office	(\$9)
Murfreesboro	(\$86,896)
Humboldt	\$1,339,822
Knox County	\$88,538
Clarksville	(\$718,977)
Cleveland	\$844,105
Arlington	(\$61,048) Opening TBD
Total	\$1,405,535

YTD Budget \$597,992

Difference \$807,543

**EBITDA \$3.2M**  
5.6% of net revenue



TENNESSEE STATE VETERANS' HOMES

*"Proudly Serving Those Who Served"*

# Tennessee State Veterans' Homes Board

## Net Revenue YTD Year over Year

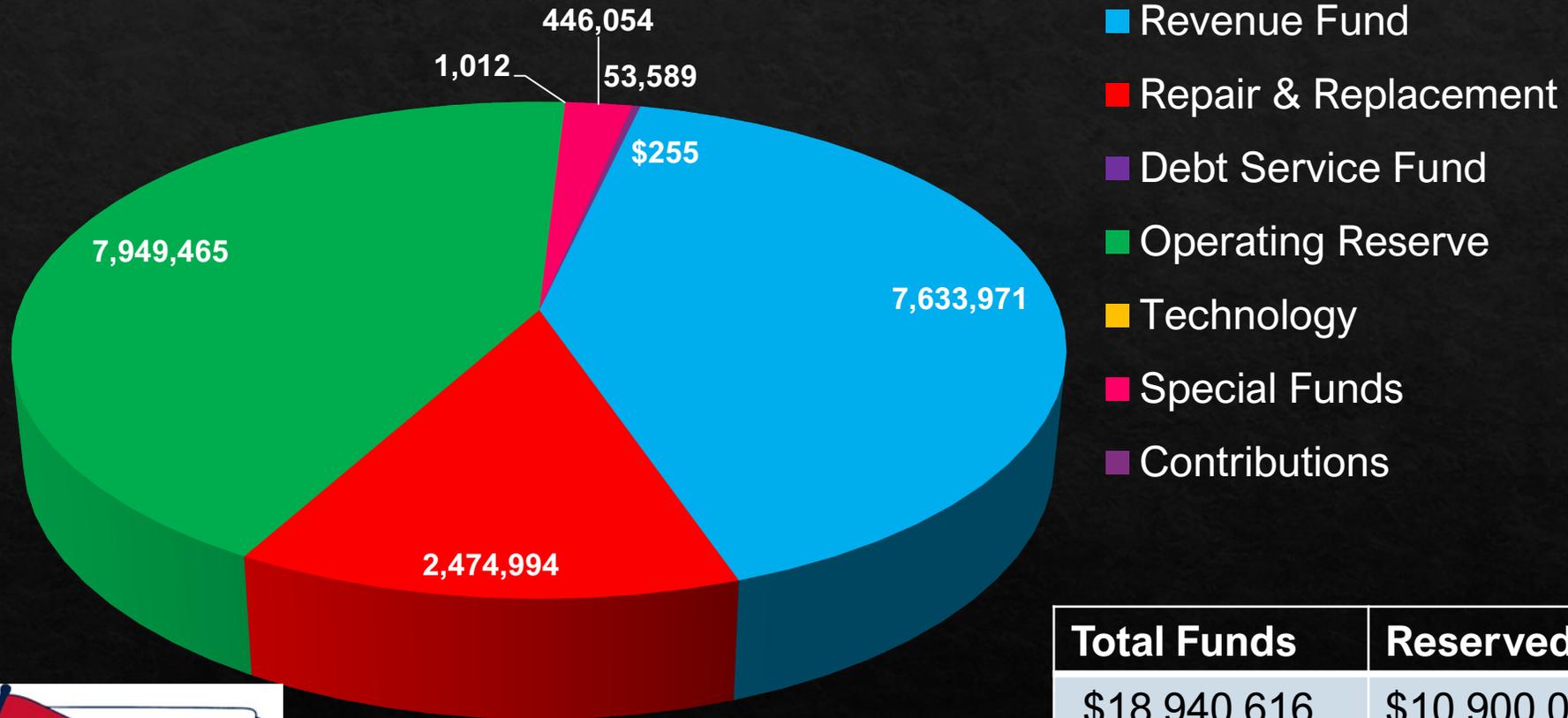


# Cash position

FINANCE DEPARTMENT



# Cash position As of January 2026

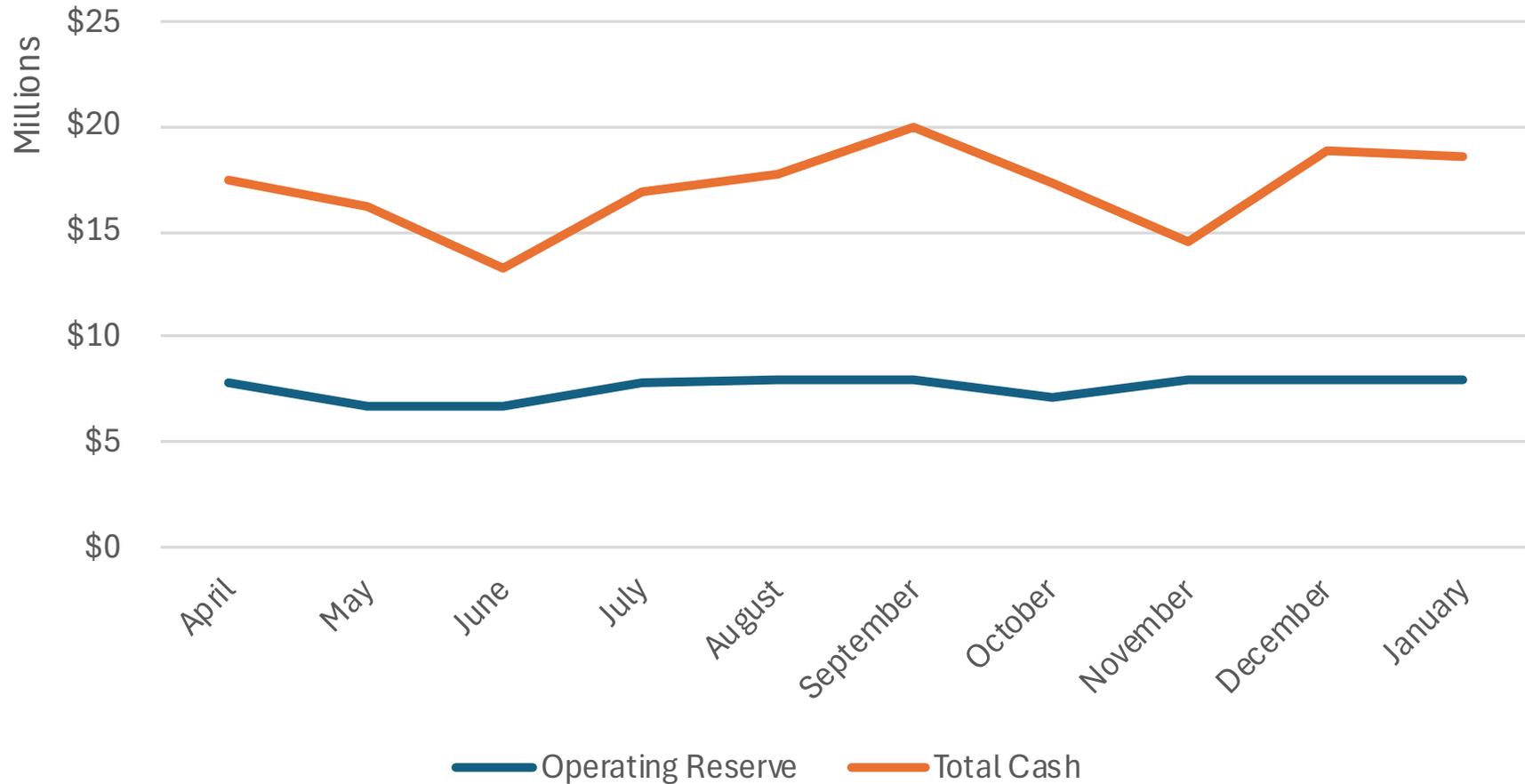


Total Funds	Reserved
\$18,940,616	\$10,900,012



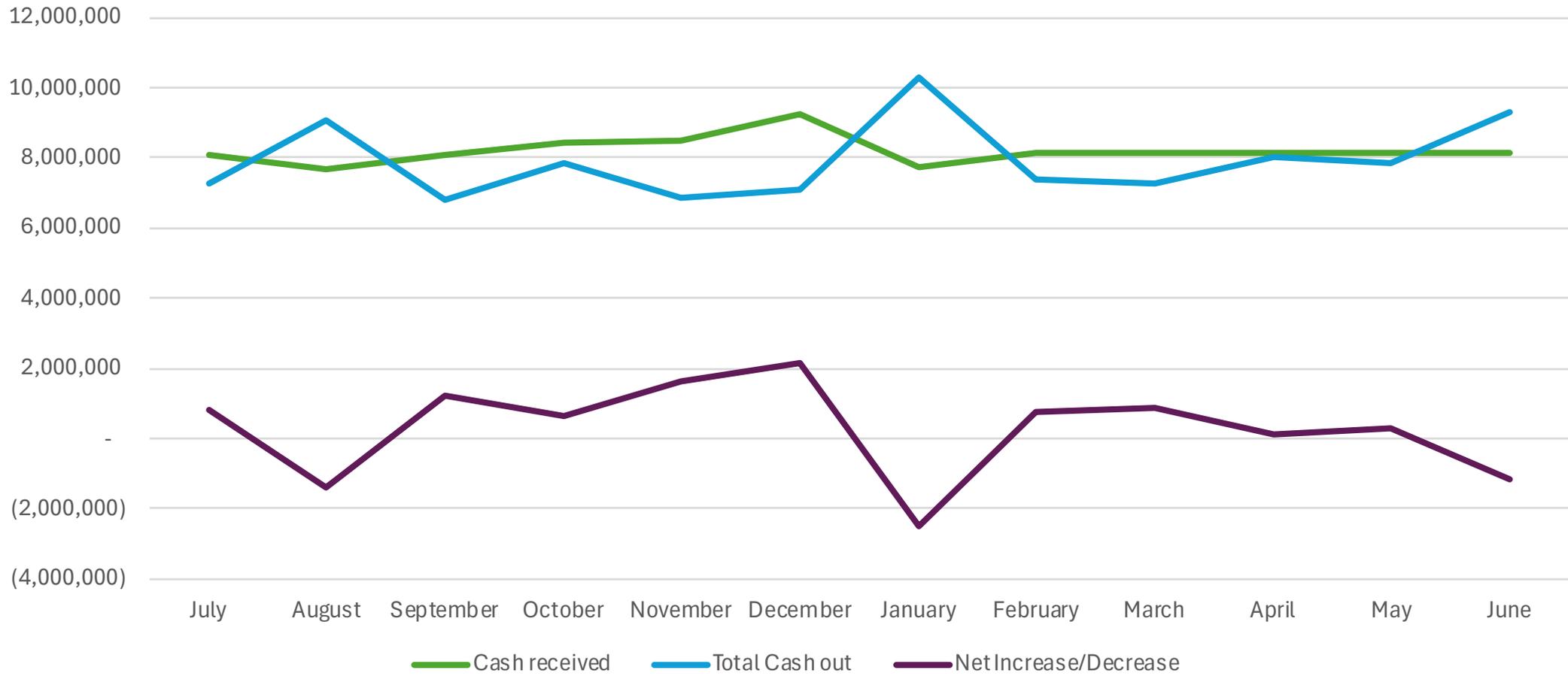
# Tennessee State Veterans' Homes Board

## Cash Position FY2025-2026



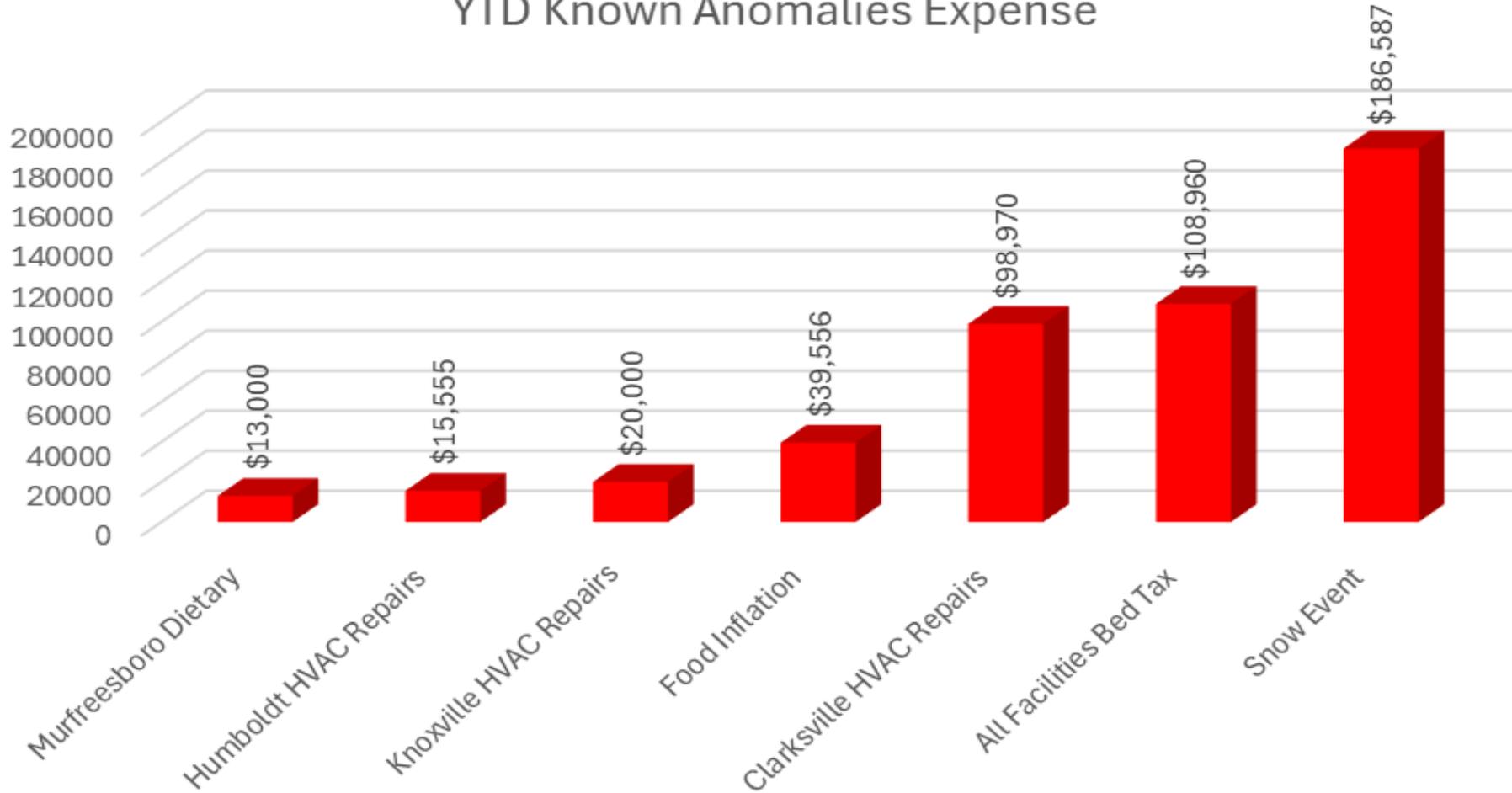
# Tennessee State Veterans' Homes Board

## FY2026 Projected Cash Flow



# KNOWN ANOMALIES

## YTD Known Anomalies Expense

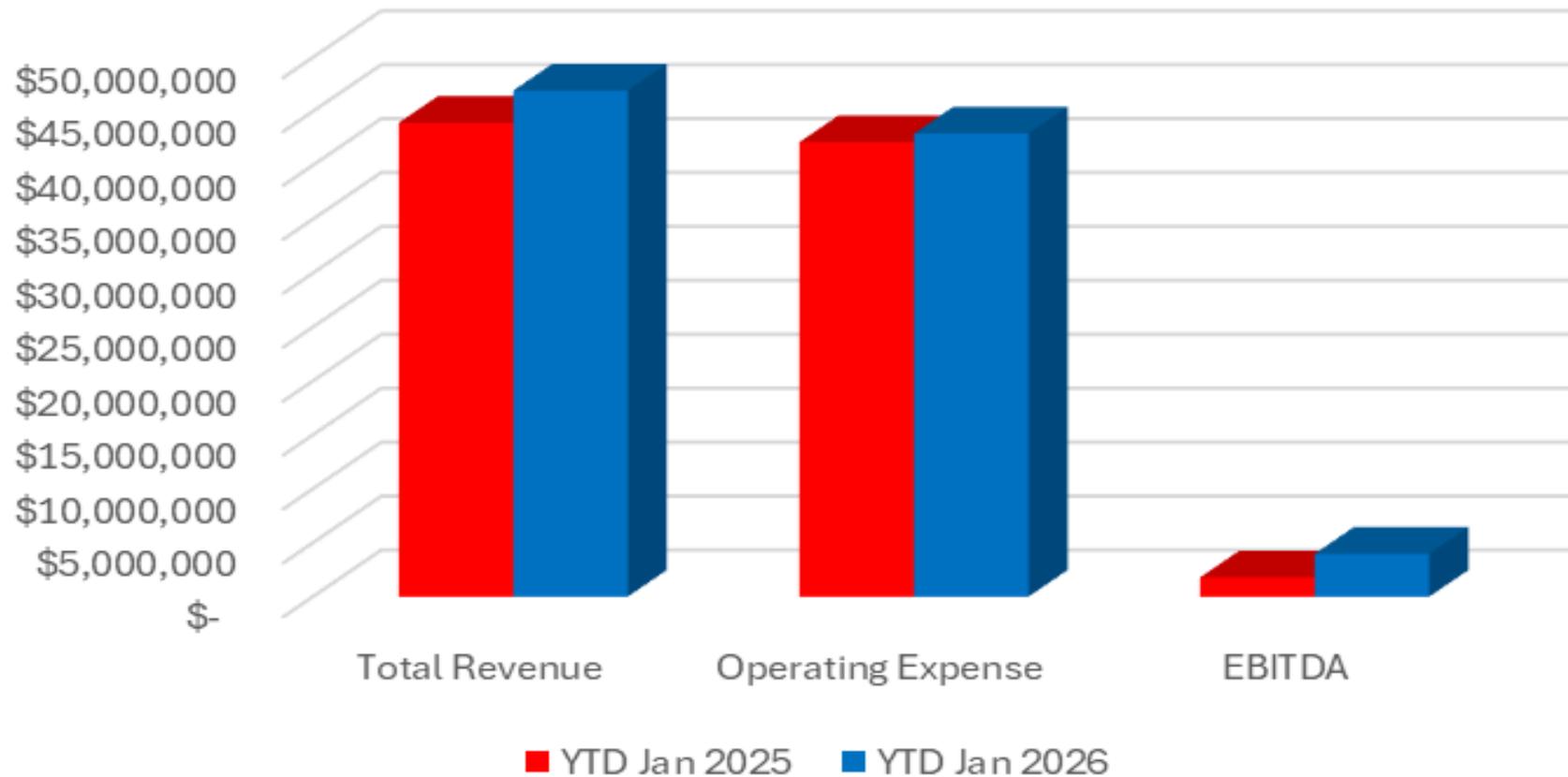


TENNESSEE STATE VETERANS' HOMES

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# YEAR OVER YEAR ANALYSIS

## Year over Year Analysis w/o Cleveland



FINANCE DEPARTMENT

Agency Use



# Tennessee State Veterans' Homes Board

## Agency Expense Rolling 12 Months

