

TENNESSEE STATE FUNDING BOARD
May 19, 2025

The Tennessee State Funding Board (the "Board") met on Monday, May 19, 2025, at 8:15 a.m., in the Volunteer Conference Center, 2nd Floor, Cordell Hull Building, Nashville, Tennessee. The Honorable Jason E. Mumpower was present and presided over the meeting.

The following members were also physically present:

The Honorable Tre Hargett, Secretary of State
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

Having established a physical quorum, 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, Director of the Division of State Government Finance (SGF) and Assistant Secretary to the Board, if any requests for public comment had been received. Ms. Thompson responded that no requests had been received.

Comptroller Mumpower then presented the minutes from the meeting held on April 10, 2025, for consideration and approval. Secretary Hargett made a motion to approve the minutes. Treasurer Lillard seconded the motion, and it was unanimously approved.

Comptroller Mumpower recognized Mr. Stuart McWhorter, Commissioner of the Department of Economic and Community Development (ECD), to present FastTrack projects for consideration, and Ms. Allyson Crystal, Budget and Finance Administrator, ECD, to present the "FastTrack Report to State Funding Board" (the "Report"). Ms. Crystal reported that, as of the date of the February 13, 2025, Board meeting, the FastTrack balance was \$634,906,733.78. Since that time, \$26,321,333.99 in new funds had been appropriated; \$18,713,134.32 in funds had been deobligated; \$250,000.00 in funds had been transferred out of FastTrack; \$19,200,000.00 in new grants or loans greater than \$750,000.00 had been approved; \$952,850.00 in new grants or loans less than \$750,000.00 had been approved; and \$684,869.20 in funds had been spent on FastTrack administrative expenses, which resulted in an adjusted FastTrack balance available for funding grants and loans of \$658,853,482.89 as of the date of the Report. Ms. Crystal reported that total commitments had been made in the amount of \$508,118,112.72, representing 77.1% of the FastTrack balance, and resulted in an uncommitted FastTrack balance of \$150,735,370.17. Ms. Crystal reported that the amount of proposed grants for projects to be considered at this meeting totaled \$3,500,000.00, and if these projects were approved, the uncommitted balance would be \$147,235,370.17, with a total committed balance of \$511,618,112.72, which represented 77.7% of the FastTrack balance. Comptroller Mumpower then asked Commissioner McWhorter to present the following FastTrack projects:

- **Barrett Firearms Manufacturing, Inc. – Murfreesboro (Rutherford County)**
FastTrack Economic Development Grant \$ 2,000,000.00

- **Hyosung HICO, Ltd. Company – Memphis (Shelby County)**

FastTrack Economic Development Grant

\$ 1,500,000.00

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

Comptroller Mumpower then recognized Mr. Chris Bessler, Senior Vice President of Cumberland Securities Company, Inc., municipal advisor to the City of Pigeon Forge, and Ms. Betsy Knotts, Counsel at Bass Berry and Sims PLC, who presented a request from the City of Pigeon Forge (“Pigeon Forge”) for retroactive approval of issuance of debt payable from Tourism Development Zone (TDZ) revenues for consideration and approval. Ms. Knotts stated that Pigeon Forge was submitting a request for approval of their 2021 Series B Refunding Bonds (the “Bonds”) that were issued for cost savings of approximately \$19 million. Ms. Knotts then stated that the Bonds were secured by a general obligation pledge so legally, and to public markets, the Bonds were issued pursuant to Tenn. Code Ann. § 9-21-200 et al. but that the Bonds were additionally payable from, but not secured by, TDZ revenues. Ms. Knotts further stated that after the issuance of the Bonds it was their understanding that the State legal advisor’s expectation was that Bonds with these types of security pledges should come before the Board for approval, therefore, Pigeon Forge was requesting retroactive approval of the issuance of the Bonds. Treasurer Lillard made a motion to retroactively approve the request from Pigeon Forge for the issuance of debt payable from TDZ revenues. Secretary Hargett seconded the motion, and it was unanimously approved.

Comptroller Mumpower then recognized Mr. Bessler and Ms. Knotts to present a request from the City of Pigeon Forge to issue debt payable from TDZ revenues for consideration and approval. Mr. Bessler started by providing a brief history of the Pigeon Forge TDZ noting that the TDZ was approved in 2006 and that Pigeon Forge had approved various Qualified Public Use Facilities (QPUFs) under the original TDZ statute before the statute was subsequently amended. Mr. Bessler then stated that the debt issuance to be considered by the board for approval would be used to finance some of the remaining outstanding QPUFs that were previously approved. Mr. Bessler stated that the city had completed the main civic event center along with various parking facilities, transportation networks, and waterworks. Mr. Bessler explained that some of the QPUFs had not been completed or funded as the city wanted to take a very measured approach in implementing its TDZ. Mr. Bessler further stated that a measured approach was utilized so the city would not overcommit itself with debt prior to receiving revenues to fund the debt and that the phased approach allowed revenues to be realized before having to incur additional debt service expense. Mr. Bessler explained that this saved both the state and Pigeon Forge money by not having to commit state and local sales tax revenues. Mr. Bessler then noted some of the remaining outstanding QPUF projects that would be financed over the next two to three years, including a \$30M expansion of the civic event center funded by the debt issuance that was being considered for approval. Mr. Bessler stated that currently overflow space was being utilized for meetings and by completing the expansion to the center it would allow Pigeon Forge to continue to host events that have been coming to Pigeon Forge but have grown to a

size that the current event center may not be able to accommodate which could cause Pigeon Forge to lose tourism revenue as those events look for larger venues.

Commissioner Bryson made a motion to approve the request from Pigeon Forge to issue debt payable from TDZ revenues, and Secretary Hargett seconded the motion. Comptroller Mumpower noted for the record that Tenn. Code Ann. § 7-88-106(a)(1) specifies that apportionment and distribution of TDZ revenues shall continue until the earlier of: the date on which the cumulative amount of the apportioned and distributed to the municipality equals the cost of the QPUF, plus any interest on the indebtedness of the municipality or public authority related to such cost; the date on which the QPUF ceases to be a QPUF; or thirty (30) years from the date it is reasonably anticipated that the facility will commence operations as a public use facility. Commissioner Bryson then asked if the debt on the QPUFs would be paid off before the scheduled end of the TDZ period. Mr. Bessler replied that it was their intention that revenues would be sufficient to pay off the debt within that time. Mr. Bessler further replied that the goal was to terminate the TDZ as soon as there was sufficient revenue received to pay off the cost of the projects plus interest. Mr. Bessler then stated that based on current revenue estimates this was anticipated to occur sometime around 2030 to 2031, prior to the 30-year TDZ period-end date of 2036. Commissioner Bryson then asked when the current amortization schedule indicated the debt would be repaid. Mr. Bessler responded that the amortization schedule they were utilizing ended in 2036 but reiterated that it was anticipated that pay-off would occur earlier assuming revenues continued to be received at the current levels. Hearing no other discussion, Comptroller Mumpower took the vote, and the motion was unanimously approved.

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

Approved on this 23rd day of June 2025.

Respectfully submitted,



Sandra Thompson,
Assistant Secretary

