

TENNESSEE STATE FUNDING BOARD

August 25, 2025

The Tennessee State Funding Board (the "Board") met on Monday, August 25, 2025, at 2:30 p.m., in the Volunteer Conference Center, 2nd Floor, Cordell Hull Building, Nashville, Tennessee. The Honorable Tre Hargett, Secretary of State, was present and presided over the meeting.

The following members were also physically present:

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

The following members were absent:

The Honorable Bill Lee, Governor
The Honorable Jason E. Mumpower, Comptroller of the Treasury

Having established a physical quorum, Secretary Hargett called the meeting to order. Secretary Hargett, 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.

Secretary Hargett then presented the minutes from the meeting held on July 21, 2025, for consideration and approval. Commissioner Bryson made a motion to approve the minutes. Treasurer Lillard seconded the motion, and it was unanimously approved.

Secretary Hargett next 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 July 21, 2025, Board meeting, the FastTrack balance was \$686,175,991.88. Since that time, \$6,205,375.05 in new funds had been appropriated; \$3,187,381.71 had been deobligated; \$2,000,000.00 in new grants or loans greater than \$750,000.00 had been approved; \$112,000.00 in new grants or loans less than \$750,000.00 had been approved; and \$1,680,412.74 in funds had been spent on FastTrack administrative expenses, which resulted in an adjusted FastTrack balance available for funding grants and loans of \$691,776,335.90 as of the date of the Report. Ms. Crystal reported that total commitments had been made in the amount of \$427,352,373.20, representing 61.8% of the FastTrack balance, resulting in an uncommitted FastTrack balance of \$264,423,962.70. Ms. Crystal reported that the amount of proposed grants for the projects to be considered at this meeting totaled \$8,900,000.00, and if these projects were approved, the uncommitted balance would be \$255,523,962.70, with a total committed balance of \$436,252,373.20, which represented 63.1% of the FastTrack balance. Secretary Hargett then asked Commissioner McWhorter to present the following FastTrack projects:

- **Hitachi Energy USA, Inc. – Alamo (Crockett County)**
FastTrack Economic Development Grant \$ 1,000,000.00
- **Vibrant Health Products Inc. U.S.A. – Rossville (Fayette County)**
FastTrack Economic Development Grant \$ 3,750,000.00

- **Dura-Line Intermediate Corporation & PolyPipe LLC – Erwin (Unicoi County)**
FastTrack Job Training Assistance Grant \$ 1,650,000.00
- **Foam Products Corp. – Erwin (Unicoi County)**
FastTrack Job Training Assistance Grant \$ 1,175,000.00
- **PlastiExports TN LLC & PlastiExports Newco Inc. – Erwin (Unicoi County)**
FastTrack Job Training Assistance Grant \$ 1,325,000.00

Secretary Hargett made a motion to approve the projects, and Commissioner Bryson seconded the motion. The Board member packets included letters and FastTrack checklists signed by Commissioner McWhorter, and incentive acceptance forms signed by company representatives. Secretary Hargett then inquired if the companies that had signed the incentive acceptance forms fully understood the agreements, and Commissioner McWhorter responded affirmatively. Secretary Hargett then inquired if the checklists had been completed for the projects, and Commissioner McWhorter responded affirmatively. Secretary Hargett 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, Secretary Hargett took the vote, and the motion was unanimously approved.

Secretary Hargett recognized Mr. Steve Osborne, Assistant Director of the Division of Local Government Finance (LGF) to present the Annual Report on Debt Issued by Tennessee Industrial Development Boards (IDBs) for Fiscal Year 2024. Mr. Osborne reported that one hundred percent (100%) of the active IDBs in the state had reported the amount of debt issued, with ninety-four (94) of the ninety-five (95) counties having an active IDB as of the end of Fiscal Year 2024. Mr. Osborne further reported that of the active IDBs, forty-two (42) had no debt outstanding. Mr. Osborne then stated that the IDBs with outstanding debt had two hundred-eight (208) conduit debt obligations and ninety-two (92) direct debt obligations. Mr. Osborne further stated that the Industrial Development Board of the Metropolitan Government of Nashville and Davidson County remained the IDB with the largest issuer with sixty-five (65) conduit debt obligations and \$811 million of outstanding conduit debt. No further action was necessary.

Secretary Hargett then recognized Mr. Osborne to report on a notice of default by the Economic Development Growth Engine Industrial Development Board of Memphis and Shelby County (EDGE). Mr. Osborne stated that EDGE reported a monetary default on their Graceland 2017 Series D Bonds (the “Series D Bonds”). Mr. Osborne further stated this was the eighth notice of default for the Series D Bonds noting that funds had been insufficient to make the scheduled principal and interest payments of \$465,000.00 and \$167,475.00, respectively. Mr. Osborne then stated that under the bond indenture, a failure to make payment when money is not available, is not a default, but the event was required to be reported to the Board pursuant to Board Guidelines. Mr. Osborne stated that subsequent to the reporting, notification was received from EDGE that the trustee had paid previously defaulted principal and interest on the Graceland 2017 Series A Bonds (the “Series A Bonds”) and the Graceland 2017 Series B Bonds (the “Series B Bonds”) in full. Mr. Osborne further stated that payments had also been made (but not in full) for defaulted amounts on the Graceland 2017 Series C Bonds. Mr. Osborne then stated that it was anticipated that funds received by the master trustee would allow it to replenish the reserves for the Series A and Series B Bonds prior to making any payments on the subordinate Series D Bonds. No further action was necessary.

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

Approved on this _____ day of _____ 2025.

Respectfully submitted,

Sandra Thompson / KC

Sandra Thompson,
Assistant Secretary

