

TENNESSEE STATE SCHOOL BOND AUTHORITY
June 22, 2017
AGENDA

1. Call meeting to order
2. Approval of Minutes from the TSSBA meeting of May 11, 2017
3. Approval of Projects for:

The Tennessee Board of Regents

- Tennessee Technological University – Residence Hall Upgrades; Cost: \$6,930,000 of which \$6,430,000 will be funded by TSSBA; Term of Financing: 10 years as short-term financing at an assumed taxable rate
 - Middle Tennessee State University – Parking Services Facility; Cost: \$3,400,000 of which \$2,000,000 will be funded by TSSBA; Term of Financing: 10 years as short-term financing at an assumed taxable rate
4. Adjourn

TENNESSEE STATE SCHOOL BOND AUTHORITY
May 11, 2017

The Tennessee State School Bond Authority (“TSSBA” or the “Authority”) met on Thursday, May 11, 2017, 9:20 a.m., in Executive Conference Room, State Capitol, Nashville, Tennessee. The Honorable Justin Wilson, Comptroller, was present and presided over the meeting.

The following members were also present:

Honorable Tre Hargett, Secretary of State of Tennessee
Brian Derrick, proxy for Honorable David Lillard, State Treasurer
Larry Martin, Commissioner of Finance and Administration
Chancellor Flora Tydings, Tennessee Board of Regents
Ron Maples, proxy for Dr. Joe DiPietro, President, University of Tennessee

The following member was absent:

Honorable Bill Haslam, Governor

Recognizing a physical quorum present, Mr. Wilson called the meeting to order and asked for a motion to approve the minutes of the meeting held on March 21, 2017. Mr. Martin moved approval of the minutes. Mr. Hargett seconded the motion and it was unanimously approved.

Mr. Wilson then stated that the next item on the agenda was the public hearing on and consideration of the Authority’s Debt Management Policy (the “Policy”.) Mr. Wilson called upon Sandi Thompson, Director of the Office of State and Local Finance (“OSLF”) to explain the changes recommended by staff. Ms. Thompson stated that the Office of State and Local Finance had worked with the Attorney General’s Office to review and update the Policy to conform to current regulations and to make the Policy consistent with the debt management policies of the Tennessee Local Development Authority and the State Funding Board. Ms. Thompson stated that staff was recommending changes to the following sections: Methods of Sale – Negotiated Sale, Risk Assessment, Transparency, Debt Administration – Post-Sale, Investment of Proceeds, and Disclosure.

Mr. Wilson stated that he had reviewed the changes and asked for any comments or questions from the public or from members of the Authority. Hearing none, Mr. Wilson asked for a motion for approval. Mr. Hargett moved that the revisions to the Policy be approved. Mr. Martin seconded the motion and it was unanimously approved.

Mr. Wilson moved to adjourn the meeting. Mr. Martin seconded the motion and it was unanimously approved.

Approved on this _____ day of _____, 2017

Respectfully submitted,

Sandra Thompson
Assistant Secretary

Tennessee State School Bond Authority Feasibility Study

929 - TTU Residence Hall Upgrades

Individual Project Summary

Revenue Source:	Annual Rent	\$	1,200,000.00
	Total Revenue Source:	\$	1,200,000.00
Assumptions:	TSSBA Funding Requested	\$	6,430,000.00
	Interest Rate		2.75%
	Status		Taxable
	Term of Financing		10

Feasibility Test	
	Annual Short-Term Pmt
Pledged Revenue	\$1,200,000
New Max-Semi Annual DS	\$744,206
Feasible	Yes

*TSSBA staff conducts a feasibility test on a project-by-project basis to ensure that each individual project has sufficient revenue pledged to cover the projected maximum annual debt service charged to the project. On an annual basis, and prior to the issuance of long-term debt, an assessment is performed pursuant to Article 2.01 (b) which requires that the aggregate amount of the Fees and Charges collected by an Institution in the preceding Fiscal Year is not less than two times the amount required for the payment of the aggregate of the maximum amount of Annual Financing Charges.

**Tennessee State School Bond Authority
Project Application**

DEPARTMENT: Tennessee Board of Regents

INSTITUTION/LOCATION: Tennessee Technological Universtiy

PROJECT : Residence Hall Upgrades

SBC PROJECT #: 166/011-08-2015

PROJECT BUDGET:

Funding Sources:	<u>TSSBA</u>	<u>6,430,000.00</u>
	<u>Plant Funds (Aux, housing):</u>	<u>500,000.00</u>
	<u>Total</u>	<u>\$6,930,000.00</u>

PROJECT REVENUES: (Describe sources and projected levels)

Annual rent in the amount of \$1,200,000

PROJECT LIFE:

Anticipated Useful Life of Project: 20 years

Desired Term for Financing (if less than useful life): 10 years

ESTIMATED ANNUAL FINANCING CHARGE: \$873,630.97

PROJECT APPROVAL DATES:

BOARD: 3/27/15
THEC: 4/24/15
SBC: 9/10/15

Disclosed in the Governor's Budget: Yes No If yes, what year? 2015

PROJECT DESCRIPTION: Physical description, including land, buildings and equipment with approximate dollar value. (If a renovation or repair project, please provide information with respect to the renovated or improved portion as well as the entire structure).

Renovate Browning/Evans facilities, including mechanical and plumbing systems, electrical, and interior renovations.

REAL ESTATE:

Owner of real property Tennessee Board of Regents

 To be acquired To be leased or other arrangement

The purpose of the following questions are to determine the tax status of this project to be financed with the proceeds of Tennessee State School Bond Authority Bonds and/or Bond Anticipation Notes and the amount of private use associated with this project. Private use means the direct or indirect use of the project by any entity other than a state or local government entity, including use by the Federal Government (including its agencies and instrumentalities) or a Section 501(c)(3), (c)(4), or (c)(6) organization. When the project consists of an improvement that does not involve space that is being used directly by governmental or private users (for example, a re-roofing, air conditioning or energy efficiency improvement), all questions involving uses and users of the project should be answered by reference to all portions of the facility or facilities benefited by the improvement.

The questions below relate to the project referenced above. Attach additional sheets as required. **Please make a copy of this document for your files.**

1. Project Status: (If the project has already been completed, and the proceeds are being used to reimburse the department, please so indicate and include date of project completion.) First phase complete. Second due to start December 2017.
2. Project completion estimated to be: December 2018
3. Project Owner: Tennessee Board of Regents
4. Project Operator (see also item 8 below): Tennessee Technological University
5. Intended Use of the Project: Student housing

6. Intended Users of the Project (excluding use by the general public): Students

7. Indicate whether any of the following activities will take place at the project. Indicate whether the activities are operated by a private entity or will indirectly benefit a private entity. Include all incidental private uses. For each direct or indirect private use of the project, indicate the total amount of space the private use occupies in relation to the entire project. (For example, if an area of vending machines operated by a private contractor occupies 50 square feet of a 5,000 square foot area financed, indicate the relationship in terms of the ratio of square footage used.)

Gross Square Footage of Building 56,222 (See Supporting Data Sheet if more than one building is involved.)

A. Vending Machines:

Square Footage 45

Operator Pepsi and Star Vending

Are any vending areas separated by walls, night gates, etc. so that they are under the control of the service provider/operator? no

B. Wholesalers or retailers (e.g., Newsstand, Book Store, Pharmacy, etc.):

Square Footage n/a

Type _____

Operator _____

C. Pay Telephones:

Square Footage none

D. Laundry Services:

Square Footage 350

Operator Caldwell & Gregory, LLC

Are any laundry service areas separated by walls, night gates, etc. so that they are under the control of the service provider/operator? no

E. Cafeteria or other food services areas:

Square Footage none

Operator _____

F. Provision of health care services:

Square Footage n/a

Operator _____

G. Laboratory research performed on behalf of or for the benefit of a private entity or pursuant to a cooperative research agreement:

Square Footage none

Recipient _____

H. Office space utilized by or on behalf of private entities:

Square Footage none

Occupant _____

I. Provision of housing for persons or entities other than enrolled students:

Square Footage no

8. Attach copies of any management contracts or incentive payment contracts entered into, or to be entered into, in connection with the operation of the project. (Do not include contracts for services that are solely incidental to the primary governmental functions of the facility (for example, contracts for janitorial, office equipment repair or similar services). Indicate the portion of the project to which the contracts relate. Give the usable square feet involved compared to the total usable square feet of the facility being financed. If a contract has not been entered into but is anticipated, indicate that fact.

none


9. Will any debt proceeds be used to make or finance loans to any private entity? If so, indicate the amount of such loans, the length and payment terms of such loans: no

10. Indicate any expected payments (direct or indirect) to be made by non-governmental entities, separately and in the aggregate, to the State or any other governmental entity, with respect to the project.

n/a

11. Additional information not explained above. none

Completed this 10th day of May, 2017.


Dr. Flora Tydings
Chancellor


Dick Tracy, Executive Director
Office of Facilities Development


Dale Sims, Vice Chancellor for
Business & Finance

To be filled out by the Authority

BOND COUNSEL APPROVAL:	DATE	_____
	GOOD	_____
	5%	_____
	10%	_____

Feasibility Study by TSSBA

Prepared on: May 4, 2017

School: Tennessee Technological University

Project: Maddux/McCord & Browning/Evins Residence Hall Upgrades

Project #: 166/011-08-2015

Disclosed in Budget: 2015-16

	<u>Original</u>
Revenue Source: Annual Net Rental Revenue	1,200,000
Plant Funds (Auxiliary)	500,000
Total Revenue Src:	<u>\$ 1,700,000</u>

Assumptions: Project Cost	\$ 6,430,000.00
Interest Rate	6.00%
No. of Years	10
Cost of Issuance	2.00%
Interest on DSRF	2.25%
Administrative Costs	0.20%
Annual Debt Service Pmt.	\$873,630.97

Issue Size	
Project Cost	\$ 6,430,000.00
Cost of Issuance	\$ 128,600.00
Administrative Costs	\$ 12,860.00
Debt Serv. Reserve Fund	\$873,630.97
Size of Bond Issue	\$ 7,445,090.97
Annual Debt Service Pmt.	\$ 873,630.97
Less: Int. Earnings on DSRF	\$ 19,656.70
Net Debt Service Payment	\$ 853,974.27

Project Request

SBC1

1 Department: **Tennessee Board of Regents** Submitting
 Project Title: **Residence Hall Upgrades** 05/08/2017
 Institution: **TTU**
 City/County: **Cookeville / Putnam** SBC No: **166/011-08-2015**

		<u>New</u>	<u>Renovation</u>
3 <input type="checkbox"/>	Capital Outlay		
<input type="checkbox"/>	Capital Maintenance	Gross Sq. Ft. 0	112,157
<input checked="" type="checkbox"/>	Disclosure	Net Sq. Ft. 0	0
<input checked="" type="checkbox"/>	Designer Required	Cost/Sq. Ft. \$0.00	\$90.00

4 Project Description

Renovate Maddux/McCord and Browning/Evans facilities, including mechanical and plumbing systems, electrical, and interior renovations.

5	<u>Total Project</u>	<u>Allocation</u>			
	\$10,972,200.00	\$10,972,200.00	Building Construction		
	\$0.00	\$0.00	Site & Utilities		
	\$0.00	\$0.00	Built-in Equipment		
	\$10,972,200.00	\$10,972,200.00	Bid Target		
	\$1,096,800.00	\$1,096,800.00	Contingency	9.99%	9.99%
	\$12,069,000.00	\$12,069,000.00	M.A.C.C.		
	\$824,433.00	\$824,433.00	Fee	0.0000000	0.0000000 Fixed Fee
	\$0.00	\$0.00	Movable Equipment		
	\$160,000.00	\$160,000.00	Commissioning		
	\$0.00	\$0.00			
	\$356,567.00	\$356,567.00	Administration & Miscellaneous		
	\$13,410,000.00	\$13,410,000.00	Total Cost		

6 Funding

\$910,000.00	\$6,930,000.00	STATE Funds
\$0.00	\$0.00	FEDERAL Funds
\$12,500,000.00	\$6,480,000.00	TSSBA & auxiliary
\$13,410,000.00	\$13,410,000.00	

7 Available Funding Sources

\$12,860,000.00	TSSBA (rent)
\$550,000.00	Plant (auxiliary, housing)
\$0.00	
\$0.00	
\$0.00	
\$13,410,000.00	

8 SBC Action	Date	Action
	09/10/2015	Approve project
	10/22/2015	Designer selected

9 Designer Maffett Loftis Engineering, LLC

Tennessee State School Bond Authority Feasibility Study

455 - MTSU Parking Services Facility

Individual Project Summary

Revenue Source:	Annual Parking Fees	\$	277,800.00
	Total Revenue Source:	\$	277,800.00
Assumptions:	TSSBA Funding Requested	\$	2,000,000.00
	Interest Rate		2.70%
	Status		Taxable
	Term of Financing		10

Feasibility Test	
	Annual Short-Term Pmt
Pledged Revenue	\$277,800
New Max-Semi Annual DS	\$230,885
Feasible	Yes

*TSSBA staff conducts a feasibility test on a project-by-project basis to ensure that each individual project has sufficient revenue pledged to cover the projected maximum annual debt service charged to the project. On an annual basis, and prior to the issuance of long-term debt, an assessment is performed pursuant to Article 2.01 (b) which requires that the aggregate amount of the Fees and Charges collected by an Institution in the preceding Fiscal Year is not less than two times the amount required for the payment of the aggregate of the maximum amount of Annual Financing Charges.

**Tennessee State School Bond Authority
Project Application**

DEPARTMENT: Tennessee Board of Regents

INSTITUTION/LOCATION: Middle Tennessee State University

PROJECT : Parking Services Facility

SBC PROJECT #: 166/009-02-2017

PROJECT BUDGET:

Funding Sources:	TSSBA	\$2,000,000
	Plant Funds (Aux, parking)	1,400,000
	Total	\$3,400,000

PROJECT REVENUES: (Describe sources and projected levels)

Annual parking fees - \$277,800

PROJECT LIFE:

Anticipated Useful Life of Project: 50 years

Desired Term for Financing (if less than useful life): 10 yrs.

ESTIMATED ANNUAL FINANCING CHARGE: \$ 277,714.11

PROJECT APPROVAL DATES:

BOARD: 3/30/17

THEC: 5/11/17

SBC: 6/8/17

Disclosed in the Govenor's Budget: Yes No If yes, what year? 2017

PROJECT DESCRIPTION: Physical description, including land, buildings and equipment with approximate dollar value. (If a renovation or repair project, please provide information with respect to the renovated or improved portion as well as the entire structure).

Construct a Parking Services Facility to include facilities for Parking Services, bus maintenance spaces, roadway, parking lot, and other related site improvements

REAL ESTATE:

Owner of real property Tennessee Board of Regents

 To be acquired To be leased or other arrangement

The purpose of the following questions are to determine the tax status of this project to be financed with the proceeds of Tennessee State School Bond Authority Bonds and/or Bond Anticipation Notes and the amount of private use associated with this project. Private use means the direct or indirect use of the project by any entity other than a state or local government entity, including use by the Federal Government (including its agencies and instrumentalities) or a Section 501(c)(3), (c)(4), or (c)(6) organization. When the project consists of an improvement that does not involve space that is being used directly by governmental or private users (for example, a re-roofing, air conditioning or energy efficiency improvement), all questions involving uses and users of the project should be answered by reference to all portions of the facility or facilities benefited by the improvement.

The questions below relate to the project referenced above. Attach additional sheets as required. **Please make a copy of this document for your files.**

1. Project Status: (If the project has already been completed, and the proceeds are being used to reimburse the department, please so indicate and include date of project completion.)
Disclosed, SBC Approved, awaiting Designer Selection
2. Project completion estimated to be: Summer 2019
3. Project Owner: Tennessee Board of Regents
4. Project Operator (see also item 8 below): Middle Tennessee State University
5. Intended Use of the Project: Construct a parking services facility to included facilities for Parking Services, bus Maintenance spaces, roadway, parking lot, and other related site improvments.

6. Intended Users of the Project (excluding use by the general public): MTSU students, faculty, and staff

7. Indicate whether any of the following activities will take place at the project. Indicate whether the activities are operated by a private entity or will indirectly benefit a private entity. Include all incidental private uses. For each direct or indirect private use of the project, indicate the total amount of space the private use occupies in relation to the entire project. (For example, if an area of vending machines operated by a private contractor occupies 50 square feet of a 5,000 square foot area financed, indicate the relationship in terms of the ratio of square footage used.)

Gross Square Footage of Building 14,000 (See Supporting Data Sheet if more than one building is involved.)

A. Vending Machines:

Square Footage 50

Operator Gilly Vending

Are any vending areas separated by walls, night gates, etc. so that they are under the control of the service provider/operator? No

B. Wholesalers or retailers (e.g., Newsstand, Book Store, Pharmacy, etc.):

Square Footage N.A.

Type _____

Operator _____

C. Pay Telephones:

Square Footage N.A.

D. Laundry Services:

Square Footage N.A.

Operator _____

Are any laundry service areas separated by walls, night gates, etc. so that they are under the control of the service provider/operator? _____

E. Cafeteria or other food services areas:

Square Footage N.A.

Operator _____

F. Provision of health care services:

Square Footage N.A.

Operator _____

G. Laboratory research performed on behalf of or for the benefit of a private entity or pursuant to a cooperative research agreement:

Square Footage N.A.

Recipient _____

H. Office space utilized by or on behalf of private entities:

Square Footage N.A.

Occupant _____

I. Provision of housing for persons or entities other than enrolled students:

Square Footage N.A.

8. Attach copies of any management contracts or incentive payment contracts entered into, or to be entered into, in connection with the operation of the project. (Do not include contracts for services that are solely incidental to the primary governmental functions of the facility (for example, contracts for janitorial, office equipment repair or similar services). Indicate the portion of the project to which the contracts relate. Give the usable square feet involved compared to the total usable square feet of the facility being financed. If a contract has not been entered into but is anticipated, indicate that fact.

N.A.

9. Will any debt proceeds be used to make or finance loans to any private entity? If so, indicate the amount of such loans, the length and payment terms of such loans: No

10. Indicate any expected payments (direct or indirect) to be made by non-governmental entities, separately and in the aggregate, to the State or any other governmental entity, with respect to the project.

N.A.

11. Additional information not explained above. _____

Completed this 10th day of May, 2017.

Flora W. Tydings
Doctor Flora Tydings
Chancellor

Dick Tracy
Dick Tracy, Executive Director
Office of Facilities Development

Dale Sims
Dale Sims, Vice Chancellor for
Business & Finance

To be filled out by the Authority

BOND COUNSEL APPROVAL:	DATE	_____
	GOOD	_____
	5%	_____
	10%	_____

Project Request

SBC1

1 Department: **Tennessee Board of Regents** Submitting
 Project Title: **Parking Services Facility**
 Institution: **MTSU** 05/05/2017
 City/County: **Murfreesboro / Rutherford** SBC No: **166/009-park**

3	<input type="checkbox"/> Capital Outlay		New	Renovation
	<input type="checkbox"/> Capital Maintenance	Gross Sq. Ft.	14,000	0
	<input checked="" type="checkbox"/> Disclosure	Net Sq. Ft.	0	0
	<input checked="" type="checkbox"/> Designer Required	Cost/Sq. Ft.	\$203.57	\$0.00

4 Project Description

Construct a Parking Services Facility to include facilities for Parking Services, bus maintenance spaces, roadway, parking lot, and other related site improvements.

5	Total Project	Allocation			
	\$2,100,000.00	\$2,100,000.00	Building Construction		
	\$500,000.00	\$500,000.00	Site & Utilities		
	\$0.00	\$0.00	Built-in Equipment		
	\$2,600,000.00	\$2,600,000.00	Bid Target		
	\$250,000.00	\$250,000.00	Contingency	9.61%	9.61%
	\$2,850,000.00	\$2,850,000.00	M.A.C.C.		
	\$188,035.00	\$188,035.00	Fee	6.6000000	0.0000000 New
	\$100,000.00	\$100,000.00	Movable Equipment		
	\$40,000.00	\$40,000.00			
	\$80,000.00	\$80,000.00			
	\$141,965.00	\$141,965.00	Administration & Miscellaneous		
	\$3,400,000.00	\$3,400,000.00	Total Cost		

6 Funding

\$0.00	\$0.00	STATE Funds
\$0.00	\$0.00	FEDERAL Funds
\$3,400,000.00	\$3,400,000.00	TSSBA (parking) & Aux, parking
\$3,400,000.00	\$3,400,000.00	

7 Available Funding Sources

\$2,000,000.00	TSSBA (parking)
\$1,400,000.00	Plant Funds (Aux, parking)
\$0.00	
\$0.00	
\$0.00	
\$3,400,000.00	

8 SBC Action

9 Designer tbd

Feasibility Study by TSSBA

Prepared on: May 10, 2017

School: Middle Tennessee State University

Project: Parking Services Facility

Project #: 166/009-xx-2017

Disclosed in Budget: 2017/2018

	<u>Original</u>
Revenue Source: Student Parking Fees	277,800
Total Revenue Src:	<u>\$ 277,800</u>
Assumptions: Project Cost	\$ 2,000,000.00
Interest Rate	6.00%
No. of Years	10
Cost of Issuance	2.00%
Administrative Costs	0.20%
Annual Debt Service Pmt.	\$ 277,714.11
Issue Size	
Project Cost	\$ 2,000,000.00
Cost of Issuance	\$ 40,000.00
Administrative Costs	\$ 4,000.00
 Size of Bond Issue	 \$ 2,044,000.00