

**TENNESSEE STATE SCHOOL BOND AUTHORITY**  
**August 20, 2018**  
**AGENDA**

1. Call meeting to order
2. Approval of Minutes from the TSSBA meeting of June 19, 2018
3. Approval of Projects for:

**The Board of Regents**

- Tennessee Technological University – Cooper/Dunn Residence Hall Upgrade; Cost: \$6,700,000 of which \$6,650,000 will be financed by TSSBA; Term of Financing: 10 years as short-term financing at an assumed taxable rate
  - East Tennessee State University – Millennium Center Parking Garage; Cost: \$3,700,000 all of which will be financed by TSSBA; Term of Financing: 20 years at an assumed taxable rate
4. Adjourn

**TENNESSEE STATE SCHOOL BOND AUTHORITY**  
**June 19, 2018**

The Tennessee State School Bond Authority (“TSSBA”, or the “Authority”) met on Tuesday, June 19, 2018, at 11:45 a.m. CDT in the Tennessee State Capitol, Executive Conference Room, G Level, Nashville, Tennessee. The Honorable Justin Wilson, Comptroller, was present and presided over the meeting.

The following members were also present:

The Honorable Tre Hargett, Secretary of State  
The Honorable David Lillard, State Treasurer  
Angela Scott, proxy for Commissioner Larry Martin, Department of Finance and Administration  
Danny Gibbs, proxy for Dr. Flora Tydings, Chancellor, Tennessee Board of Regents

The following member participated by phone:

Ron Maples, proxy for Dr. Joe DiPietro, President, University of Tennessee

The following member was absent:

The 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 April 25, 2018. Mr. Hargett moved approval of the minutes. Mr. Lillard seconded the motion. Mr. Wilson called upon Ms. Sandi Thompson, Director of the Office of State and Local Finance (“OSLF”) to call roll:

Ms. Scott	Aye
Mr. Lillard	Aye
Mr. Maples	Aye
Mr. Wilson	Aye
Mr. Hargett	Aye
Mr. Gibbs	Aye

The meeting minutes were unanimously approved.

Mr. Wilson then stated that the next item on the agenda was consideration of a project from the Board of Regents. Mr. Wilson recognized Mr. Dick Tracy, Executive Director, Facilities Development, to present the following project for consideration for the Board of Regents:

- Tennessee State University – Health Sciences Facility (528); Cost: \$38,800,000 of which \$8,950,000 will be funded by TSSBA; Term of Financing: 10 years as short-term financing at an assumed taxable rate.

Note: This project was originally approved by the Authority for \$3,950,000. This request increases the TSSBA Funding by \$5,000,000.

Mr. Wilson stated that the funding will be short term, and that the increase was because the grant that was to be used, would not be used within the time parameters and therefore the \$5,000,000 grant will be used on a different project. Mr. Wilson stated that this action to fund the matching portion of a general obligation project is being grandfathered in and should not be viewed as a precedent. Mr. Wilson moved approval of the project. Mr. Lillard seconded the motion and it was unanimously approved. Mr. Wilson called upon Ms. Thompson to call roll:

Ms. Scott	Aye
Mr. Lillard	Aye
Mr. Maples	Aye
Mr. Wilson	Aye
Mr. Hargett	Aye
Mr. Gibbs	Aye

The project was unanimously approved.

Mr. Wilson moved to adjourn the meeting and Mr. Lillard seconded the motion. The meeting was adjourned.

Approved on this \_\_\_\_\_ day of \_\_\_\_\_, 2018

Respectfully submitted,

Sandra Thompson  
Assistant Secretary

# Tennessee State School Bond Authority Feasibility Study

## 930 - TTU Cooper/Dunn Residence Hall Upgrade

### Individual Project Summary

Revenue Source:	Annual Rent	\$	884,000.00
	<b>Total Revenue Source:</b>	<b>\$</b>	<b>884,000.00</b>
Assumptions:	TSSBA Funding Requested	\$	6,650,000.00
	Interest Rate		2.70%
	Status		Taxable
	Term of Financing		10

Feasibility Test	
	Annual Short-Term Pmt
Pledged Revenue	\$884,000
New Max Annual DS	\$767,694
<b>Feasible</b>	<b>Yes</b>

\*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.



THE COLLEGE SYSTEM  
of TENNESSEE

Office of Administration & Facilities Development  
Department of Facilities Development

1 Bridgestone Park, Third Floor  
Nashville, Tennessee 37214  
615-366-4431 OFFICE 615-365-1512 FAX

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June 15, 2018

Ms. Sandi Thompson, Director  
Office of State and Local Finance  
James K. Polk Building, 16<sup>th</sup> Floor  
Nashville, TN 37243

RE: Tennessee Technological University (TTU)  
Cooper/Dunn Residence Hall Upgrade  
SBC Project No. 166/011-xx-2018

Ms. Thompson:

We are requesting \$6,650,000 bond financing for 10 years for the Tennessee Technological University Cooper/Dunn residence Hall Upgrade project. The total estimated project cost is \$6,700,000. TTU will be presenting this project at the July 12, 2018 SBC Meeting.

The project scope is for 47,019 sf. of renovations in the Cooper/Dunn Residence Hall. The annual bond financing will be repaid with student rent. The project application and pro forma are attached.

Your review and consideration of this request will be appreciated. Please advise if you have any questions.

Sincerely,

Dick J. Tracy  
Executive Director  
Office of Facilities Development

Enclosures

c: Taylor Odle w/encls.  
Jim Cobb

**Tennessee State School Bond Authority  
Project Application**

**DEPARTMENT:** Tennessee Board of Regents

**INSTITUTION/LOCATION:** Tennessee Technological University/Cookeville

**PROJECT :** Cooper/Dunn Residence Hall Upgrade

**SBC PROJECT #:** 364/011-xx-2018

**PROJECT BUDGET:**

<b>Funding Sources:</b>	<u>TSSBA (rent)</u>	<u>\$6,650,000.00</u>
	<u>Plant Funds (Aux-Housing):</u>	<u>50,000.00</u>
	<b>Total</b>	<b><u>\$6,700,000.00</u></b>

**PROJECT REVENUES:** (Describe sources and projected levels)

Rent - \$884,000  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**PROJECT LIFE:**

Anticipated Useful Life of Project: 20 years

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

**ESTIMATED ANNUAL FINANCING CHARGE:** \$883,192.68

**PROJECT APPROVAL DATES:**

**BOARD:** 6/26/18  
**THEC:** 3/8/18  
**SBC:** 8/09/18

Disclosed in the Govenor's Budget: X Yes      No If yes, what year? FY17/18



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 47,019 (See Supporting Data Sheet if more than one building is involved.)

A. Vending Machines:

Square Footage 150

Operator Pepsi and Five Star

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 157

Operator Caldwell Gregory

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.

\_\_\_\_\_

\_\_\_\_\_

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 \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

  
\_\_\_\_\_  
Dr. Flora Tydings  
Chancellor

  
\_\_\_\_\_  
Dick Tracy, Executive Director  
Office of Facilities Development

  
\_\_\_\_\_  
Danny Gibbs, Vice Chancellor for  
Business & Finance

<i>To be filled out by the Authority</i>		
BOND COUNSEL APPROVAL:	DATE	_____
	GOOD	_____
	5%	_____
	10%	_____

Feasibility Study by TSSBA

Prepared on: June 4, 2018

School: Tennessee Technological University

Project: Cooper/Dunn Residence Hall Upgrade

Project #: 364/011- xx -2018

Disclosed in Budget:

Revenue Source: Annual Rental Revenue

Original

Total Revenue Src:

\$ 13,181,900

Assumptions: Project Cost

\$ 6,650,000.00

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. \$903,521.92

Issue Size

Project Cost \$ 6,650,000.00

Cost of Issuance \$ 133,000.00

Administrative Costs \$ 13,300.00

Debt Serv. Reserve Fund \$903,521.92

Size of Bond Issue \$ 7,699,821.92

Annual Debt Service Pmt. \$ 903,521.92

Less: Int. Earnings on DSRF \$ 20,329.24

**Net Debt Service Payment \$ 883,192.68**

# Project Request

**SBC 1**

**1 Institution:** Tennessee Technological University  
**Project:** Cooper/Dunn Residence Hall Upgrade  
**City/County:** Cookeville/Putnam **SBC No.:** 364/011-xx-2018

**2 Fiscal Year:** 2018/2019

3		New	Renovation
<input type="checkbox"/>	Capital Outlay		
<input type="checkbox"/>	Capital Maintenance	0	47,019
<input checked="" type="checkbox"/>	Institutional / Non-appropriated	0	0
<input checked="" type="checkbox"/>	Designer Required	0.00	115.00

**4 Project Description:**

Renovate Cooper/Dunn residence hall, including mechanical and plumbing systems, electrical, and interior renovations.

5	Total Project	Allocation	Estimated Construction Cost:	5,407,185.00
	5,400,000.00	5,400,000.00	Building Construction	
	0.00	0.00	Site & Utilities	
	0.00	0.00	Built-in Equipment	
	<b>5,400,000.00</b>	<b>5,400,000.00</b>	<b>Bid Target</b>	
	<b>540,000.00</b>	<b>540,000.00</b>	Contingency:	10.00 10.00 percent
	5,940,000.00	5,940,000.00	<b>M.A.C.C.</b>	
	462,099.00	462,099.00	Fee:	35/LogP-1.15 = 6.22356491 Renovation
	0.00	0.00	Movable Equipment	
	80,000.00	80,000.00	Commissioning	
	0.00	0.00	second other	
	<b>217,901.00</b>	<b>217,901.00</b>	Administration & Miscellaneous	
	<b>6,700,000.00</b>	<b>6,700,000.00</b>	<b>Total Cost</b>	

**6 Funding**

0.00	0.00	STATE funds
0.00	0.00	FEDERAL funds
6,700,000.00	6,700,000.00	Local and Institutional Funds <span style="float: right;">Plant Funds (Aux-Housing) &amp; TSSBA</span>

**7 Sources of Available Funding:**

	fund year	description
6,650,000.00	2018/2019	TSSBA (Rent)
50,000.00	2018/2019	Plant Funds (Aux-Housing)
0.00		
0.00		
0.00		

**8 SBC Action:**

**9 Designer:** TBA

# Tennessee State School Bond Authority Feasibility Study

## ETSU - Millenium Ctr Prk Garage - Project Number 354

### Individual Project Summary

Revenue Source:	Parking Fee	\$	326,840
	Debt Svcs - Carnegie Hotel Lease	\$	48,000
	<b>Total Revenue Source:</b>		<b><u><u>\$374,840</u></u></b>

Assumptions:			\$3,700,000
	Interest Rate		7.60%
	Tax Status		Taxable
	Term of Financing		20-Years
	Cost of Issuance		\$55,500

Feasibility Test		
	<u>May Principal</u> <u>(No DSRF)</u>	<u>November Principal</u> <u>(no DSRF)</u>
Pledged Revenue	\$374,840	\$374,840
New Max Annual DS	\$371,191	\$363,476
<b>Feasible</b>	<b>Yes</b>	<b>Yes</b>

Prepared on July 27, 2018 by Jacqueline Felland

Project Disclosed in Budget

\*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.



THE COLLEGE SYSTEM  
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[tbr.edu](http://tbr.edu)

July 25, 2018

Ms. Sandi Thompson, Director  
Office of State and Local Finance  
James K. Polk Building, 16<sup>th</sup> Floor  
Nashville, TN 37243

RE: East Tennessee University (ETSU)  
Parking Garage Acquisition  
Transaction No. 18-05-001

Ms. Thompson:

We are requesting on behalf of ETSU, \$3,700,000 bond financing for 20 years for the acquisition of a parking garage. The total project cost is \$3,700,000. ETSU will be presenting this project at the August 20, 2018 ESC Meeting.

The acquisition is for a parking garage containing 570 parking spaces with 172 of the total parking spaces leased to the Carnegie Hotel. The annual bond financing will be repaid with current parking fees and revenue generated by a lease with Carnegie Hotel Investors, LP. ETSU has stated that if the lease is terminated the campus will replace that portion of the debt service with Plant Funds (Auxiliary-Parking). The project application and pro forma are attached.

Your review and consideration of this request will be appreciated. Please advise if you have any questions.

Sincerely,

Dick J. Tracy  
Executive Director  
Office of Facilities Development

Enclosures

c: Patti Miller w/encls.  
Bill Rasnick



## Tennessee State School Bond Authority Project Application

DEPARTMENT: Tennessee Board of Regents

INSTITUTION/LOCATION: East Tennessee State University (ETSU)

PROJECT : Trans# 18-05-001 – Parking Garage

SBC PROJECT #: \_\_\_\_\_

**PROJECT BUDGET:**

		Total
Funding Sources:	TSSBA	\$3,700,000
	Total	\$3,700,000

**PROJECT REVENUES:** (Describe sources and projected levels)

Parking Fee (\$326,840) and Debt Services – Carnegie lease (\$48,000) = \$374,840 total

The Carnegie Hotel currently has a lease for 172 parking spaces out of the 570 total parking spaces. Discussions with the hotel will be to enter into a new, longer term lease at the end of the current lease terms. If the hotel does not renew the lease, then Plant Funds – Auxiliary – Parking will be utilized.

**PROJECT LIFE:**

Anticipated Useful Life of Project: 30 years

Desired Term for Financing (if less than useful life): 20 years

**ESTIMATED ANNUAL FINANCING CHARGE:** \$357,477.40

**PROJECT APPROVAL DATES:**

**BOARD:** 04/2018

**THEC:** 06/2018

**SBC:** 8/20/18

Disclosed in the Governor's Budget:     Yes     No    If yes, what year? \_\_\_\_\_  
 Disclosed as TSSBA Funding:                                    \_\_\_\_\_  
 Match Project                                                            \_\_\_\_\_

**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).

1.5 +/- acres located at 2001 Millennium Place, Johnson City, TN consisting of the Parking Garage (189,000 sf, 570 spaces). The Parking Garage enhances parking on the east side of campus.

**REAL ESTATE:**

Owner of real property Public Building Authority of the City of Johnson City & the City of Johnson City

X 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.) The purchase of the parking garage is pending.
2. Project completion estimated to be: August 2018
3. Project Owner: TBR
4. Project Operator (see also item 8 below): ETSU
5. Intended Use of the Project: Parking for students, faculty and staff.
6. Intended Users of the Project (excluding use by the general public): Administration, faculty, staff, and students for parking.



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 189,000 (See Supporting Data Sheet if more than one building is involved.)

A. Vending Machines:

Square Footage None

Operator \_\_\_\_\_

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

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

Square Footage None

Type \_\_\_\_\_

Operator \_\_\_\_\_

C. Pay Telephones:

Square Footage None

D. Laundry Services:

Square Footage None

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 \_\_\_\_\_

Operator \_\_\_\_\_

F. Provision of health care services:

Square Footage None

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 None

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.

The attached lease is with the Carnegie Hotel for 172 parking spaces. The parking spaces leased are 30% of the total spaces.

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.

\$48,000 /year rental of space by Carnegie Hotel

11. Additional information not explained above. \_\_\_\_\_

Completed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Flora W. Tydings  
Flora W. Tydings  
Chancellor

Dick Tracy  
Dick Tracy, Executive Director  
Office of Facilities Development

Danny Gibbs  
Danny Gibbs,  
Vice Chancellor for Business & Finance

<i>To be filled out by the Authority</i>		
BOND COUNSEL APPROVAL:	DATE	_____
	GOOD	_____
	5%	_____
	10%	_____