



JASON E. MUMPOWER
Comptroller

TENNESSEE STATE SCHOOL BOND AUTHORITY
MAY 11, 2022
AGENDA

1. Call meeting to order
2. Approval of the Minutes from the TSSBA meeting of April 26, 2022
3. Consideration and approval of the Resolution to Approve the Borrowing of Money by Another Method by the University of Tennessee - Knoxville
4. Approval of the following project for:

The University of Tennessee

- University of Tennessee, Chattanooga – University Center Renovations (A98); Cost: \$33,000,000 of which \$27,200,000 will be financed by TSSBA; Term of Financing: 30 years as long-term financing

The Tennessee Board of Regents

- East Tennessee State University – Housing Renovations (355); Cost: \$25,000,000 of which \$22,000,000 will be financed by TSSBA; Term of Financing: 20 years as long-term financing

5. Adjourn

TENNESSEE STATE SCHOOL BOND AUTHORITY
April 26, 2022

The Tennessee State School Bond Authority (“TSSBA”, or the “Authority”) met on Tuesday, April 26, 2022, at 2:08 p.m. in the Executive Conference Room, State Capitol, Nashville, Tennessee. The Honorable Tre Hargett, Secretary of State, was present and presided over the meeting.

The following members were also present:

Sandi Thompson, proxy for the Honorable Jason Mumpower, Comptroller of the Treasury
Kevin Bradley, proxy for the Honorable David Lillard, State Treasurer
Commissioner Butch Eley, Department of Finance and Administration
Dick Tracy, proxy for Dr. Flora Tydings, Chancellor, Tennessee Board of Regents

The following member participated telephonically as authorized by Tennessee Code Annotated § 8-44-108:

David Miller, proxy for Randy Boyd, President, University of Tennessee

The following member was absent:

The Honorable Bill Lee, Governor

Recognizing a physical quorum present, Mr. Hargett called the meeting to order and asked Ms. Jacqueline Felland, Program Accountant in the Division of State Government Finance (“SGF”), to call the roll. Ms. Felland called the roll:

Mr. Miller – Present
Mr. Bradley – Present
Mr. Eley – Present
Mr. Hargett – Present
Mr. Tracy – Present
Ms. Thompson – Present

Mr. Hargett stated that the first item on the agenda was the approval of the minutes of the meeting held on March 28, 2022. Mr. Hargett asked if there were any questions or discussion on the minutes. Hearing none, Mr. Eley made a motion to approve the minutes, Mr. Tracy seconded the motion, and Ms. Felland called the roll:

Mr. Miller – Aye
Mr. Bradley – Aye
Mr. Eley – Aye
Mr. Hargett – Aye
Mr. Tracy – Aye
Ms. Thompson – Aye

The minutes were approved unanimously.

Mr. Hargett stated that the next item on the agenda was the consideration of a Resolution to Approve the Borrowing of Money by Another Method by the University of Tennessee (“UT”). Mr. Hargett recognized Mr. Austin Oakes, Assistant Vice President of the Office of Capital Projects at UT, to present the request. Mr. Oakes stated that UT had a request for the Knoxville (“UTK”) campus for approval of a lease agreement with University Health System. Mr. Oakes stated that the lease was for 3,268 square feet at the research park in Knoxville. Mr. Oakes explained that the lease had a five-year term with one five-year option to extend. Mr. Oakes explained that UT would use this space for translational research and hands on learning in collaboration with OrthoTN physicians and healthcare professionals. Mr. Oakes stated that the total effective cost was \$82,175 per year with 3% annual escalation.

Mr. Hargett stated that without objection both requests to Approve the Borrowing of Money by Another Method by UT would be considered as one item. Hearing no objection, Mr. Hargett recognized Mr. Oakes to present the next request. Mr. Oakes stated that the second request from UT was a lease amendment at the University of Tennessee Health Science Center (“UTHSC”) to extend the term of an existing lease by five years with St. Francis Hospital in Memphis. Mr. Oakes stated that the estimated annual average contract rent was \$373,182.

Mr. Hargett asked if there were any questions or discussion regarding the requests. Hearing none, Mr. Eley made a motion to approve the requests, Mr. Tracy seconded the motion, and Ms. Felland called the roll:

Mr. Miller – Aye
Mr. Bradley – Aye
Mr. Eley – Aye
Mr. Hargett – Aye
Mr. Tracy – Aye
Ms. Thompson – Aye

The motion was approved unanimously.

Mr. Hargett stated that the next item on the agenda was the consideration of a Resolution to Approve the Borrowing of Money by Another Method by the Tennessee Board of Regents (“TBR”) on behalf of Chattanooga State Community College (“CHSCC”). Mr. Hargett recognized Ms. Chloe Shafer, Associate General Counsel at TBR, to present the request. Ms. Shafer stated that TBR had a request for a lease agreement for CHSCC and Tennessee College of Applied Technology (“TCAT”) Chattanooga with Building and Construction Workforce Center. Ms. Shafer explained that this entity was a nonprofit with a public private partnership to provide primarily construction education in Hamilton County. Ms. Shafer stated that the request was for a 10-year lease, with no cost. Ms. Shafer explained that beginning in year 4 CHSCC will pay its proportionate share of operating costs for the facility.

Mr. Hargett asked if there were any questions or discussion regarding the requests. Hearing none, Mr. Eley made a motion to approve the request, Mr. Tracy seconded the motion, and Ms. Felland called the roll:

Mr. Miller – Aye
Mr. Bradley – Aye
Mr. Eley – Aye
Mr. Hargett – Aye
Mr. Tracy – Aye
Ms. Thompson – Aye

The motion was approved unanimously.

Mr. Hargett stated that concluded the business for the meeting and asked for a motion to adjourn. Mr. Eley made a motion to adjourn, Mr. Tracy seconded the motion, and Ms. Felland called the roll.

Mr. Miller – Aye
Mr. Bradley – Aye
Mr. Eley – Aye
Mr. Hargett – Aye
Mr. Tracy – Aye
Ms. Thompson – Aye

The motion was approved unanimously.

The meeting was adjourned.

Approved on this _____ day of _____, 2022.

Respectfully submitted,

Sandra Thompson
Assistant Secretary

**RESOLUTION TO APPROVE THE BORROWING OF
MONEY BY ANOTHER METHOD BY THE UNIVERSITY
OF TENNESSEE**

Recitals

Whereas the University of Tennessee (“UT”), on behalf of its Knoxville campus (“UTK”) proposes to lease (the “Lease”) up to sixteen (16) one (1) bedroom studio apartments (the “Rooms”) at the Residence Inn Marriot-Downtown in Knoxville, Tennessee (“Residence Inn”) for use by visiting fellows (the “Fellows”) who are part of the United States Department of Agriculture (“USDA”) exchange programs (the “Programs”); and

Whereas, the Fellows include animal health professionals, veterinary professors and agricultural scientists, researchers, and policymakers; and

Whereas, through the Programs hosted by UTK:

- a.) Kenyan animal health professionals will gain a detailed, holistic understanding of animal health research and governance in the United States that can be readily adapted to their home institutions
- b.) African veterinary professors will gain a detailed, holistic understanding of veterinary education and research in the United States that can be readily adapted to their home institutions
- c.) Fellows from developing and middle-income countries will receive training and collaborative research opportunities through the Borlaug International Agricultural Science and Technology Fellowship Program to promote food security and economic growth; and

Whereas, there are sixteen Fellows scheduled to participate in the Programs in 2022 including two (2) Mexican fellows from July 11 through September 30, nine (9) fellows from across East Africa from August 17 through December 8 and five (5) Kenyan fellows from August 17 through November 15; and

Whereas, the Fellows originally planned to come in 2020 and stay in UTK housing but were unable to due to COVID-19 and since then USDA has kept the Programs on hold, but USDA has recently reinstated the Programs and given UTK permission to proceed; and

Whereas, because USDA requires that each Fellow is provided with his or her own bedroom and bathroom and there has been a significant increase in demand for apartments both on and around UTK’s campus and, consequently, there is not adequate space on UTK’s campus to accommodate the Fellows as was originally planned; and

Whereas, the Residence Inn was selected because of its location and also because each Room includes a kitchen; and

Whereas, UT seeks approval to enter into the Lease to provide each Fellow with his or her own bedroom and bathroom; and

Whereas, the terms of the Lease are:

- Two (2) Rooms from July 11 through September 30
- Five (5) Rooms from August 17 through November 15
- Nine (9) Rooms from August 17 through December 8

With the rate daily rate for each Room (including a kitchen with utensils) being one hundred and thirty-nine dollars and no cents (\$139.00) and the total cost for all Rooms being two hundred and twenty-eight thousand six hundred and fifty-five dollars and no cents (\$228,655.00); and

Whereas USDA will issue grants for the Programs totaling approximately one million dollars (\$1,000,000), of which seventy-seven thousand and thirty-two dollars and no cents (\$77,032.00) will be used to offset a portion of the cost of the Lease with the balance of the cost of the Lease being paid for by plant funds (Non-Aux) (R).

BE IT RESOLVED BY THE TENNESSEE STATE SCHOOL BOND AUTHORITY:

1. In accordance with the authority provided by Tennessee Code Annotated Section 49-3-1205(11), the Tennessee State School Bond Authority (the “Authority”) gives its approval to UT to enter into the Lease.

BE IF FURTHER RESOLVED that all resolutions or parts of resolutions in conflict are repealed, and the resolution shall be effective as of May 11, 2022.

Adopted by the Authority at its meeting on May 11, 2022.

JASON E. MUMPOWER, SECRETARY
TENNESSEE STATE SCHOOL BOND AUTHORITY

UNIVERSITY OF TENNESSEE

Acquisition – Lease (Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No. TBD

- **Proposed Lease**

- **Location:**

University of Tennessee – Knoxville (UTK)
Knox County – 210 W Church Avenue, Knoxville, TN

- **Landlord:**

Residence Inn Marriott – Downtown Knoxville

- **Term:**

July 11, 2022 – December 8, 2022

- **Area / Costs:**

Up to 16 studio hotel rooms

	<u>\$/room</u>	<u>Estimated Total Cost</u>
Cost per room	\$139.00/night	\$228,655.00

- **Source of Funding:**

Grants and Plant Funds (Non-Aux) (R)

- **Procurement Method:**

Negotiated

- **FRF Rate:**

\$18.00/sf (for reference only)

Comment:

These rooms will be used for by visiting fellows through the U.S. Department of Agriculture exchange programs. The programs include animal health professionals, veterinary professors and agricultural scientists, researchers and policymakers.

The fellows originally planned to come in 2020 and stay in UTK Campus Housing but were unable to travel due to COVID-19. Due to current demand for on-campus housing, on-campus housing is not available and alternate accommodations are needed. USDA requires that each fellow is provided with their own bedroom and bathroom.

This hotel was selected because of the location and the studio rooms include a kitchen.

Prior Action: 12/20/2021 Approval of waiver of advertisement

SSC Report: 05/16/2021

EXECUTIVE SUMMARY

BACKGROUND:

The University of Tennessee, on behalf of its Knoxville campus (UTK), proposes to lease up to sixteen (16) one (1) bedroom studio apartments in Knoxville, TN for use by visiting fellows who are part of the US Department of Agriculture exchange programs (USDA). Through the Scientific Exchange Program, Kenyan animal health professionals will gain a detailed, holistic understanding of animal health research and governance in the United States that can be readily adapted to their home institutions. Through the Faculty Exchange Program, African veterinary professors will gain a detailed, holistic understanding of veterinary education and research in the United States that can be readily adapted to their home institutions. The Borlaug International Agricultural Science and Technology Fellowship Program promotes food security and economic growth by providing training and collaborative research opportunities to Fellows from developing and middle-income countries.

There are sixteen fellows as outlined below -

- 2 Mexican fellows coming July 11-Sep 30
- 9 fellows from across East Africa coming Aug 17 – Dec 8
- 5 Kenyan fellows coming Aug 17 – November 15

USDA will issue grants totaling approximately \$1M, a part of which will offset the cost of the studio apartments.

The fellows originally planned to come in 2020 and stay in UTK Housing but were unable to due to COVID-19. Since then, USDA kept these programs on hold, but recently released them a few weeks ago and gave UTK the green light to move forward. USDA requires that each fellow is provided with their own bedroom and bathroom.

There has been a significant increase in demand for apartments both on and around campus. Due to this demand, there is not adequate space on campus to accommodate the fellows as was originally planned. In December 2021, ESC approved a waiver of advertisement to seek off-campus apartment to meet housing needs. The University seeks approval to lease 16 studio apartments at Residence Inn Marriott – Downtown to meet this need.

TERMS:

The University proposes to lease the following –

- Two (2) rooms: July 11 – September 30
- Five (5) rooms: August 17 – November 15
- Nine (9) rooms: August 17 – December 8

The rate is \$139 per night and the studio includes a kitchen with utensils. The total cost for all rooms is \$228,655. The USDA grant will cover \$77,032 of this cost and the remainder will be funded via operating reserves.

This hotel was selected because of the location and the studio rooms include a kitchen.

FUNDING:

Funding for the lease payments will be funded by the USDA Grant and through UTK operating reserves.

REQUEST:

Request for approval to enter into a lease agreement.

GROUP INFORMATION

Group Name	University of Tennessee CVM	Phone Number	865-227-0339
Contact Name	Marcy Souza	Email	msouza@utk.edu
Address	2407 River Drive	City, State & Zip	Knoxville, TN 37996

DATES & SERVICES

CHECK-IN TIME: 3pm

CHECK-OUT TIME: 12 Noon

		Check In	Check Out	Total Room Nights
	Rate	7/11/2022	9/30/22	
Studio King Room	\$139.00			
Rooms Per Night		2	81 nights per room	162

		Check In	Check Out	Total Room Nights
	Rate	8/17/2022	11/15/2022	
Studio King Room	\$139.00			
Rooms Per Night		5	90 nights per room	450

		Check In	Check Out	Total Room Nights
	Rate	8/17/2022	12/8/2022	
Studio King Room	\$139.00			
Rooms Per Night		9	113 nights per room	1017

****Guests who wish to book outside contracted dates will not receive the special group rate.**

**** Rates are exclusive of tax. Tax rate at 17.25% will be added to guest room rate. The University of Tennessee is tax exempt and will not be charged taxes.**

INDIVIDUAL CALL-IN AND PAYMENTS

Reservation Method	Rooming List
Form of Payment	Direct Bill Room and Tax, Every Two Weeks
Deposit Due	None

Room Release Date	30 days prior to the group arrival date. Group rate will not be offered after this date.
Individual Cancellation Policy	48 hours prior to day of arrival. Any cancellations made after 11:59PM EST, 2 DAY'S BEFORE arrival, will result in a charge of (1) full night room + tax per room cancelled. No credits or refunds.
Parking	Complimentary

CONTRACTS TERMS AND CONDITIONS

In order to guarantee the rates and availability listed above, please read, sign and return this original copy By: **May 31, 2022** **This rate offer will be void if contract is not returned by this date.** Seasonal discounts, Advanced Purchase rates, AAA, AARP, and other discounted reservations made outside the block will not count towards the block. Additional discounts cannot be added to the group's negotiated rate. Any changes to the above "Individual Call-In and Payments" will change terms and deadlines per Hotel's best discretion.

GROUP BOOKINGS POLICIES AND PROCEDURES

- GROUP BEHAVIOR:** There will be other guests in the hotel and equal consideration must be given to their safety, comfort and pleasure. Disturbances caused by the group (such as: noise, shouting, banging of doors, etc.) may cause lost revenue. By signing this contract, you agree that you will let your guests know that any documented revenue lost due to disturbances caused by individuals within your group will be the responsibility of that paying guest.
- ROOMS RATES:** All rates quoted are based upon seasonality, demand, and the terms of the hotel. If the rooms within the block are not filled, there will be no fees or penalty. There are no minimum number of reservations required in the block. The rooms will simply be released back into the market for the public at base rate, by the room release date.
- The specific guarantee and payment terms are outlined in the contract. It is understood that all payments must be made in U.S. Dollars (USD). If any portions of the hotel charges are to be billed, prior credit approval must be obtained.
- All incidental charges (telephone/premium/market) not applicable to master billing must be paid by each group member prior to departure from the hotel.
- CANCELLATION POLICY:** Individual guest room cancellation (for up to 4 guest rooms) is **48 hours prior to the day of arrival**. Should cancellation of the rooms become necessary the hotel must receive cancellation notification prior to **11:59pm EST 2 days prior to arrival**. If a cancellation occurs after this day, one full night's room and tax will be charged with no credits or refunds.
- GROUP CANCELLATION:** Group may be cancelled by giving written notice 30 days prior to the first group block date. If group cancels block within 30 days of first arrival date, group will pay for one night's room and tax for the number of rooms reserved on the peak night. However, all non-refundable deposits will be retained by hotel.
- HOTEL ARRIVALS AND DEPARTURES:** Hotel check in time is 3pm and check out time is 12 noon. However, during periods of high occupancy, group rooms will not be available until after 3pm.
- CRIBS:** Cribs are based on availability.
- ROOM LOCATIONS & OCCUPANCY:** The hotel will take special requests; however, room locations are NOT guaranteed. There are guests already in house that have been here day, weeks, or even months as well a guest who may have been scheduled to check out but who have had to stay over. Only 4 persons are permitted to sleep in each guest room based on fire code and safety standards.

- 10. IMPOSIBILITY:** The hotel shall not be liable for non-performance of this contract when such nonperformance is attributable but not limited to labor troubles, disputes, or strikes, accidents, government (Federal, State & Municipal) regulations, or restrictions upon travel, or transportation, non-availability of food, beverage, or supplies, riots, national emergencies, acts of God and other cause whether enumerated herein or not, which are beyond the reasonable control of the hotel.
- 11.** The contract shall **terminate** if the hotel is transferred or sold; provided, however that at least 60 days written notice of the transfer or sale shall be given to the customer/organization and all advance payments and deposits received by the hotel shall be returned and both parties shall be relieved of any further obligation under this contract.
- 12. COVID-19 Clause:** The parties acknowledge and agree that as of the time of signing this Agreement, there is a pandemic taking place involving COVID-19, as announced by the World Health Organization in March 2020. Given the evolving nature of COVID-19, there is no reliable information or data available to provide any reasonable expectation as to when the COVID-19 pandemic will likely subside in and around the Hotel's location (or elsewhere), therefore the hotel may suspend services and amenities.
- 13. The** hotel property is a licensed premise. Consumption of alcoholic beverages is restricted to beverages purchased directly from the hotel. Groups are not allowed to supply and consume their own alcohol in common areas of the hotel. This includes the restaurant, meeting space and all common lobby areas of the hotel.

Responsibility: University is only responsible for the acts of its employees. Hotel acknowledges that University is not liable for the acts of the fellows or their invitees.

Governing Law: The laws of the state of Tennessee, without giving effect to its principles of conflicts of law, govern this agreement. The University's liability will be governed by the Tennessee Claims Commission Act.

Self-Insurance: The University is self-insured under the Tennessee Claims Commission Act, Tenn. Code Ann. §§ 9-8-301 et seq., which covers certain tort liability for actual damages of up to \$300,000 per claimant and \$1,000,000 per occurrence.

Force Majeure:

- i. If a Force Majeure Event prevents a party from complying with any one or more obligations under this agreement, that inability to comply will not constitute breach if (1) that party uses reasonable efforts to perform those obligations, (2) that party's inability to perform those obligations is not due to its failure to (A) take reasonable measures to protect itself against events or circumstances of the same type as that Force Majeure Event or (B) develop and maintain a reasonable contingency plan to respond to events or circumstances of the same type as that Force Majeure Event, and (3) that party complies with its obligations under section this section.
- ii. For purposes of this agreement, "Force Majeure Event" means, with respect to a party, any event or circumstance, whether or not foreseeable, that was not caused by that party and any consequences of that event or circumstance.
- iii. If a Force Majeure Event occurs, the noncomplying party shall promptly notify the other party of occurrence of that Force Majeure Event, its effect on performance, and how long the noncomplying party expects it to last. Thereafter the noncomplying party shall update that information as reasonably necessary. During a Force Majeure Event, the noncomplying party

shall use reasonable efforts to limit damages to the other party and to resume its performance under this agreement.

Conflicts of Interest:

- i. Hotel states that no part of the Hotel's compensation will be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Hotel in connection with any work contemplated or performed under this agreement.
- ii. Hotel states that this agreement is immediately void if the Hotel is, or within the past 6 months has been, an employee of the State of Tennessee or if the Hotel is an entity in which a controlling interest is held by an individual who is, or within the past 6 months has been, an employee of the State of Tennessee.

Iran Divestment Act: The requirements of Tenn. Code Ann. § 12-12-101 et. seq., addressing contracting with persons as defined at T.C.A. §12-12-103(5) that engage in investment activities in Iran, are a material provision of this agreement. Hotel hereby certifies, under penalty of perjury, that to the best of its knowledge and belief that it is not on the list created pursuant to Tenn. Code Ann. § 12-12-106.

Illegal Immigrants: In compliance with the requirements of Tenn. Code Ann. § 12-3-309, Hotel hereby attests that it shall not knowingly utilize the services of an illegal immigrant in the United States in the performance of this agreement and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the United States in the performance of this agreement.

Tennessee Department of Revenue: In compliance with the requirements of Tenn. Code Ann. § 12-3-306, the Hotel hereby attests that it has registered with the State of Tennessee's Department of Revenue for the collection of Tennessee sales and use tax. This registration requirement is a material requirement of this agreement.

Debarment: Hotel hereby attests that the following are true statements:

- i. Hotel is not currently debarred by the U.S. federal government.
- ii. Hotel is not currently suspended by the U.S. federal government.
- iii. Hotel is not currently named as an "excluded" Hotel by the U.S. federal government.

Records Audit:

Records: Hotel shall maintain records for all expenses for which Hotel invoices the University under this agreement. Hotel shall maintain its records for at least 5 years, and shall maintain its records in accordance with generally accepted accounting principles.

Audit: During the term of this agreement and for 5 years after the last payment from the University to Hotel under this agreement, the State of Tennessee Comptroller or the University's internal audit, or both, may audit Hotel's records that relate to this agreement.

Assistance: Hotel shall provide the University with any documentation, access to information, or other assistance necessary for the University to ensure that Hotel complies with its obligations under this agreement.

The University of Tennessee

Signature: _____

Name: _____

Title: _____

Residence Inn Marriott

Signature: _____

Name: _____

Title: _____

State of Tennessee

Approved as to form and legality:

Herbert H. Slatery III, Attorney General and Reporter

RESIDENCE INN MARRIOTT NOTARY

STATE OF TENNESSEE
COUNTY OF _____

Before me, the undersigned notary of the State and County aforesaid, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, swore to and acknowledged himself/herself to be _____ of _____, the within-named bargainor, a limited liability company, and that he/she as such officer, executed the foregoing instrument for the purpose therein contained, by signing the name of the company by himself/herself as such officer.

WITNESS my hand and seal at office in _____, this __ day of _____, 2020.

Notary Public

My Commission Expires: _____

UNIVERSITY OF TENNESSEE NOTARY

STATE OF TENNESSEE
COUNTY OF KNOX

Personally appeared before me, the undersigned Notary Public for Knox County, _____, with whom I am personally acquainted or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged that he/she is the _____ of the University of Tennessee and that he/she as officer, being authorized so to do, executed the foregoing instrument for the purpose therein contained by signing the name of the University of Tennessee by himself as officer.

Witness my hand and seal, at office in, this ____ day of _____, 2020.

Notary Public.

My Commission Expires: _____

Tennessee State School Bond Authority Feasibility Study

UTC University Center Renovations - Project Number A98

Individual Project Summary

Revenue Source:	Existing Student Fees	\$2,445,000
	Total Revenue Source:	\$2,445,000
Assumptions:	TSSBA Funding Requested	\$27,200,000
	Interest Rate	7.85%
	Tax Status	Taxable
	Term of Financing	30-Years
	Cost of Issuance	\$408,000

Feasibility Test		
	May Principal (No DSRF)	November Principal (no DSRF)
Pledged Revenues	\$2,445,000	\$2,445,000
New Max Annual Debt Service	\$2,444,152	\$2,397,555
Feasible	Yes	Yes

Prepared on April 28, 2022 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.

Tennessee State School Bond Authority
UTC University Center Renovations Project Application

DEPARTMENT: University of Tennessee

INSTITUTION/LOCATION: Chattanooga

SBC PROJECT #: 540/005-xx-2022

PROJECT BUDGET:

Funding Sources:	<u>TSSBA</u>	<u>\$27,200,000</u>
	<u>Other: Gifts</u>	<u>\$ 100,000</u>
	<u>Plant Funds (Non-Aux)</u>	<u>\$ 3,450,000</u>
	<u>Plant Funds (Aux-Dining/Retail)</u>	<u>\$ 2,250,000</u>
	Total	<u><u>\$33,000,000</u></u>

PROJECT REVENUES: (Describe sources and projected levels)

Annual debt service to be funded by revenues generated by existing student fees.

PROJECT LIFE:

Anticipated Useful Life of Project: 30+ years

Desired Term for Financing (if less than useful life): 30 years

ESTIMATED ANNUAL FINANCING CHARGE: \$2,445,000.00

PROJECT APPROVAL DATES:

BOARD: 06/26/2020

THEC: 02/28/2020

SBC: 06/09/2022

Disclosed in the Governor's Budget: X Yes No If yes, what year? 2021

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).

This project will update building service and electrical systems; HVAC system, plumbing, lighting, ceilings, building finishes, doors, hardware, windows, roof system; upgrade restrooms; upgrade food service systems; correct drainage problems; repair building envelope; asbestos abatement; and ADA and life safety code upgrades. A new entrance with elevator is also included. There will be wall reconfigurations changing layout, and accommodating system and code upgrades.

REAL ESTATE:

Owner of real property The University of Tennessee

_____ 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.) _____

2. Project completion estimated to be: 2025

3. Project Owner: University of Tennessee

4. Project Operator (see also item 8 below): University of Tennessee

5. Intended Use of the Project: University Center for students, faculty, and staff

6. Intended Users of the Project (excluding use by the general public): 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 226,372 (See Supporting Data Sheet if more than one building is involved.)

A. Vending Machines:

Square Footage N/A

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 15,060

Type Bookstore

Operator Barnes & Noble

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 14,449

Operator Aramark

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.

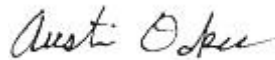
None

11. Additional information not explained above. None

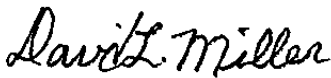
Completed this 27th day of April , 2022 .



Randy Boyd
President



Austin Oakes, Assistant Vice President
Office of Capital Projects



David Miller, Chief Financial Officer

To be filled out by the Authority

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

Tennessee State School Bond Authority Feasibility Study

ETSU - Housing Renovations - Project Number 355

Individual Project Summary

Revenue Source:	Housing Rental*	\$	2,300,000
	Total Revenue Source:		<u>2,300,000</u>

*Annual additional rental in the amount of \$850,000 in FY25 and growing to \$2,300,000 by FY27 to be subsidized by institutional plant funds in the amount of \$1,250,000 annually until the full increase in revenues is reached in FY27

Assumptions:

		<u>\$22,000,000</u>
Interest Rate		<u>7.00%</u>
Tax Status		<u>Tax-Exempt</u>
Term of Financing		<u>20-Years</u>
Cost of Issuance		<u>\$330,000</u>

Feasibility Test		
	May Principal (No DSRF)	November Principal (no DSRF)
Pledged Revenue	\$2,300,000	\$2,300,000
New Max Annual DS	\$2,107,794	\$2,060,814
Feasible	Yes	Yes

Prepared on May 10, 2022 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.

May 10, 2022

Ms. Sandi Thompson, Director
Comptroller of the Treasury, Division of Finance
Cordell Hull Building, 425 Fifth Avenue North
Nashville, TN 37243-3400

RE: East Tennessee State University (ETSU)
Housing Renovations
SBC Project No. 166/005-XX-2022

Ms. Thompson:

We are requesting \$22,000,000 bond financing for 20 years for the East Tennessee State University Housing Renovations project. The total estimated project cost is \$25,000,000. We will be presenting this project at The May ESC meeting on May 23, 2022.

The project scope includes renovations in Lucille Clement, Buc Ridge, West, Nell Dossett, and Stone Halls. The annual bond financing will be repaid with housing rentals. 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,

DocuSigned by:

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
Dick J. Tracy
Executive Director
Office of Facilities Development

Enclosures

c: Patti Miller, THEC
ETSU

MEMORANDUM

TO: Chancellor Tydings
Vice Chancellor Danny Gibbs

FROM: Dick J. Tracy 

SUBJECT: East Tennessee State University
Housing Renovations
SBC Project No. 166/005-xx-2022

DATE: May 10, 2022

Your signatures are requested on the attached Project Application for 20-year bond financing for the ETSU housing renovation project. ETSU is requesting bond funding in the amount of \$22,000,000 to be repaid with housing rentals.

The project is in the amount of \$25,000,000, with \$3,000,000 from Plant Funds, Auxiliary Housing. The project scope for the project includes renovations in Lucille Clement, Buc Ridge, West, Nell Dossett, and Stone Halls.

Please advise if you have any questions.

Attachments

Tennessee State School Bond Authority Project Application

DEPARTMENT: Tennessee Board of Regents

INSTITUTION/LOCATION: East Tennessee State University

PROJECT : Housing Renovation

SBC PROJECT #: 166/005-xx-2022

PROJECT BUDGET:

	Original	Revised	Total
Funding Sources: TSSBA (rent)	\$22,000,000.00	\$	\$
Plant Funds (Auxiliary-housing):	3,000,000.00		
Total	\$25,000,000.00	\$	\$

PROJECT REVENUES: (Describe sources and projected levels)

Annual additional rental in the amount of \$850,000 FY25 growing to \$2,300,000 by FY27.

The debt service will be subsidized by institutional plant funds in the amount of \$1,250,000 annually until FY27.

PROJECT LIFE:

Anticipated Useful Life of Project: 30 years

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

ESTIMATED ANNUAL FINANCING CHARGE: 7.6%

PROJECT APPROVAL DATES:

BOARD: 04/24/2020

THEC: 11/07/2019

SBC: 05/12/2022

Disclosed in the Governor's Budget: X Yes No If yes, what year? 21/22
 Disclosed as TSSBA Funding: X
 Match Project X

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 Lucille Clement, Stone, Buc Ridge, West, and Nell Dossett Halls.

Work to include building system replacement as well as selected space reconfiguration and renovations.

Replacement of the furnishings will also be part of the project.

REAL ESTATE:

Owner of real property East Tennessee State University

 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.) In design, not complete.

2. Project completion estimated to be: Summer 2025

3. Project Owner: East Tennessee State University

4. Project Operator (see also item 8 below): East Tennessee State University

5. Intended Use of the Project: Student housing

6. Intended Users of the Project (excluding use by the general public): University 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 34,356
 (Lucille Clement) (See Supporting Data Sheet if more than one building is involved.)

A. Vending Machines:

Square Footage 200

Operator Pepsi and by TBE - Tennessee Blind Enterprises

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 N/A

Operator N/A

C. Laundry Services:

Square Footage 780

Operator CSC Serviceworks

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

D. Cafeteria or other food services areas:

Square Footage N/A

Operator N/A

E. Provision of health care services:

Square Footage N/A

Operator N/A

F. 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 N/A

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

Square Footage N/A

Occupant N/A

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

Square Footage N/A

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 275,545
 (Buc Ridge – 9 buildings) (See Supporting Data Sheet if more than one building is involved.)

A. Vending Machines:

Square Footage N/A

Operator N/A

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 N/A

Operator N/A

C. Laundry Services:

Square Footage 600

Operator CSC Serviceworks

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

D. Cafeteria or other food services areas:

Square Footage N/A

Operator N/A

E. Provision of health care services:

Square Footage N/A

Operator N/A

F. 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 N/A

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

Square Footage N/A

Occupant N/A

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

Square Footage N/A

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 24,475 (West) (See Supporting Data Sheet if more than one building is involved.)

A. Vending Machines:

Square Footage 170

Operator Pepsi and by TBE - Tennessee Blind Enterprises

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 N/A

Operator N/A

C. Laundry Services:

Square Footage 340

Operator CSC Serviceworks

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

D. Cafeteria or other food services areas:

Square Footage N/A

Operator N/A

E. Provision of health care services:

Square Footage N/A

Operator N/A

F. 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 N/A

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

Square Footage N/A

Occupant N/A

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

Square Footage N/A

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 26,065
 (Nell
 Dossett) (See Supporting Data Sheet if more than one
 building is involved.)

A. Vending Machines:

Square Footage 120

Operator Pepsi and by TBE - Tennessee Blind Enterprises

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 N/A

Operator N/A

C. Laundry Services:

Square Footage 450

Operator CSC Serviceworks

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

D. Cafeteria or other food services areas:

Square Footage N/A

Operator N/A

E. Provision of health care services:

Square Footage N/A

Operator N/A

F. 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 N/A

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

Square Footage N/A

Occupant N/A

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

Square Footage N/A

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 19,415 (Stone) (See Supporting Data Sheet if more than one building is involved.)

A. Vending Machines:

Square Footage 120

Operator Pepsi and by TBE - Tennessee Blind Enterprises

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 N/A

Operator N/A

C. Laundry Services:

Square Footage 340

Operator CSC Serviceworks

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

D. Cafeteria or other food services areas:

Square Footage N/A

Operator N/A

E. Provision of health care services:

Square Footage N/A

Operator N/A

F. 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 N/A

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

Square Footage N/A

Occupant N/A

H. 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: N/A

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. N/A

Completed this _____ day of _____, _____.

DocuSigned by:
Flora W. Lydings
7E046D30A13B498...
Flora Lydings
Chancellor

2022-05-10 | 1:10 PM

DocuSigned by:
Dick J. Tracy
DBCE2D56BDB749E...
Dick Tracy, Executive Director
Office of Facilities Development

DocuSigned by:
Danny Gibbs
15A0EA101E484F9...
Danny Gibbs, Vice Chancellor for
Business & Finance

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

3.1 DB70

1 **Department:** Tennessee Higher Education Commission
Institution: East Tennessee State University
Project: Housing Renovation
City/County: Johnson City/Washington

2 **Fiscal Year:** 2021-22

3	<input type="checkbox"/> Capital Outlay	New		Reno/Maint
	<input type="checkbox"/> Capital Maintenance		0	Gross Sq.Ft. 379,856
	<input checked="" type="checkbox"/> Disclosure		0	Net Sq.Ft. 0
	<input checked="" type="checkbox"/> Designer Required		0.00	Cost/Sq.Ft. 53.43

4 Project Description:

Renovate Lucille Clement, Stone, Buc Ridge, West, and Nell Dossett Halls. Work to include building system replacements as well as selected space reconfiguration and renovations. Replacement of the furnishings will also be part of the project.

Proj. Tvo: If new const., is it in the Master Plan: If new will it add to E&G?:

5	Total Project	This Request	Estimated Building Construction Cost:	<input type="text" value="20,295,000"/>
	18,450,000	18,450,000	Building Construction	
	0	0	Site & Utilities	
	0	0	Built-in Equipment	
	18,450,000	18,450,000	Bid Target	
	1,845,000	1,845,000	Contingency: 10.00 10.00 percent	
	20,295,000	20,295,000	MACC (Maximum Allowable Construction Cost)	
	1,616,683	1,616,683	Fee: 5.68422747	<input type="text" value="Multi-Part"/>
	2,300,000	2,300,000	ITS, Movable Equipment	
	241,425	241,425	first other <i>Pre-Con, Comm</i>	
	0	0	second other	
	546,892	546,892	Administration & Miscellaneous	
	25,000,000	25,000,000	Total Cost	

6 Funding Request:

THIS REQUEST

0	0	STATE funds	
0	0	FEDERAL funds	
22,000,000	22,000,000	TSSBA (Housing)	
3,000,000	3,000,000	Local and Institutional Funds	<input type="text" value="Plant Funds (Aux-housing) (A)"/>

7 Previous SBC Approved Funding:

	fund year	description
already approved for existing SBC project	0	
	0	
0	0	
plus This Request	0	
25,000,000	0	

8 **SBC Action:** If an existing project, SBC Project No.:

9 **Designer:**

ETSU Housing Bonded Project Revised 5-9-22

Buildings: Lucille Clement, Buc Ridge, Nell Dossett, West, Stone

	<u>Budget</u>	<u>Occupancy Change</u>	<u>Duration</u>	<u>Prop.Schedule</u>
Stone Hall	\$2,000,000	decrease of 2 beds	6-7 months	(summer 23/24)

Construction Scope: HVAC/mechanical, ceilings, accessibility enhancements, renovate shared bathrooms between resident rooms, and associated work.

FF&E Scope: Install supplemental dehumidification equipment in student rooms. Procure new beds, wardrobes, and desks for modified layouts per renovations with local funding.

	<u>Budget</u>	<u>Occupancy Change</u>	<u>Duration</u>	<u>Prop.Schedule</u>
Dossett Hall	\$5,000,000	net zero	6-7 months	(summer 24/25)

Construction Scope: HVAC/mechanical, ceilings, accessibility enhancements, renovate community bathrooms for more individual privacy, and associated work.

FF&E Scope: Install supplemental dehumidification equipment in student rooms. Procure new beds, wardrobes, and desks for modified layouts per renovations with local funding.

	<u>Budget</u>	<u>Occupancy Change</u>	<u>Duration</u>	<u>Prop.Schedule</u>
West Hall	\$5,000,000	net zero	6-7 months	(summer 24/25)

Construction Scope: HVAC/mechanical, ceilings, accessibility enhancements, renovate community bathrooms for more individual privacy, and associated work.

FF&E Scope: Install supplemental dehumidification equipment in student rooms. Procure new beds, wardrobes, and desks for modified layouts per renovations with local funding.

ETSU Housing Bonded Project Revised 5-9-22

	<u>Budget</u>	<u>Occupancy Change</u>	<u>Duration</u>	<u>Prop.Schedule</u>
Buc Ridge	\$5,000,000	net zero	6 months	(summers 23/24)

Construction Scope: HVAC/mechanical, ceilings, targeted renovations of kitchens and bathrooms

FF&E Scope: Install supplemental dehumidification equipment in student rooms. Targeted replacement of beds, wardrobes and desks with local funding.

	<u>Budget</u>	<u>Occupancy Change</u>	<u>Duration</u>	<u>Prop.Schedule</u>
L. Clement	\$5,000,000	net zero	18 months	(24 through 25)*

Construction Scope: Create/enhance community spaces, targeted HVAC/mechanical, ceilings, accessibility enhancements, targeted renovations of community bathrooms for more individual privacy, and associated work.

FF&E Scope: Install supplemental dehumidification equipment in student rooms. Procure new beds, wardrobes, and desks with local funding.

**Target summer construction schedule, capacity must remain online throughout construction.*

ETSU System Financials One-Pager

May 10, 2022

Rental Rates*	Fall 2021 FY2022	Fall 2022 FY23	Fall 2023 FY24	Fall 2024 FY25	Fall 2025 FY26	Fall 2026 FY27
Dossett Hall	\$2,035	\$2,035	\$2,035	\$2,096	\$2,159	\$2,224
Powell Hall	\$2,035	\$2,035	\$2,035	\$2,096	\$2,159	\$2,224
Carter Hall	\$2,075	\$2,075	\$2,075	\$2,137	\$2,201	\$2,267
Luntsford Apts	\$2,360	\$2,360	\$2,360	\$2,431	\$2,504	\$2,579
West Hall	\$2,035	\$2,035	\$2,035	\$2,096	\$2,159	\$2,224
Centennial Hall	\$3,100	\$3,100	\$3,100	\$3,193	\$3,289	\$3,387
Davis Apts	\$2,200	\$2,200	\$2,200	\$2,266	\$2,334	\$2,404
Governors Hall	\$2,670	\$2,670	\$2,670	\$2,750	\$2,833	\$2,918
Lucille Clement Hall	\$2,035	\$2,035	\$2,035	\$2,096	\$2,159	\$2,224
Stone Hall	\$2,075	\$2,075	\$2,075	\$2,137	\$2,201	\$2,267
Bucc. Ridge	\$3,475	\$3,475	\$3,475	\$3,579	\$3,687	\$3,797

*Shows rental rate of primary unit type; some halls have varying unit types and associated rental rates

Beds	Fall 2021 FY2022	Fall 2022 FY23	Fall 2023 FY24	Fall 2024 FY25	Fall 2025 FY26	Fall 2026 FY27
Dossett Hall	66	66	65	113	113	113
Powell Hall	0**	0**	76	76	76	76
Carter Hall	128	126	126	126	126	126
Luntsford Apts	182	182	182	182	182	182
West Hall	85	85	85	85	85	85
Centennial Hall	400	400	400	400	400	400
Davis Apts	244	244	244	244	244	244
Governors Hall	532	532	532	532	532	532
Lucille Clement Hall	461	461	461	461	461	461
Stone Hall	81	81	79	79	79	79
Buc. Ridge	703	707	707	707	707	707

Taking back the third floor
Loss for an Area Coordinator
Need apt for RD for Fall - 2 beds offline,

Work to be conducted over summer and winter break
loss of 1 room of the suite, enlarging bath and going from 4 to 3

* Shows possible rentable beds

**Fall 2022/Spring 2023 renovations - hall offline

ETSU System Financials One-Pager

May 10, 2022

Occupancy	Fall 2021 FY2022	Fall 2022 FY23	Fall 2023 FY24	Fall 2024 FY25	Fall 2025 FY26	Fall 2026 FY27
Dossett Hall	95%	96%	96%	97%	97%	97%
Powell Hall	0%*	0%*	97%	97%	97%	97%
Carter Hall	95%	96%	97%	97%	97%	97%
Luntsford Apts	95%	97%	97%	98%	98%	98%
West Hall	88%	92%	92%	97%	97%	97%
Centennial Hall	97%	97%	97%	98%	98%	98%
Davis Apts	97%	97%	97%	97%	97%	97%
Governors Hall	95%	95%	95%	97%	97%	97%
Lucille Clement Hall	88%	91%	91%	97%	97%	97%
Stone Hall	95%	96%	97%	97%	97%	97%
Bucc. Ridge	95%	98%	98%	98%	98%	98%

Mandatory live on requirement for Freshmen will become effective Fall 2024

*Powell Hall under renovation

**Projections made based on what we feel is possible (based on historical information), based on an average 1.03% increase. Recognizing after renovations, costs will increase.

Revenues	Fall 2021 FY2022	Fall 2022 FY23	Fall 2023 FY24	Fall 2024 FY25	Fall 2025 FY26	Fall 2026 FY27
Dossett Hall	\$247,533	\$250,139	\$246,349	\$445,711	\$459,083	\$472,855
Powell Hall	\$0	\$0	\$291,039	\$299,770	\$308,763	\$318,026
Carter Hall	\$497,070	\$494,454	\$499,605	\$514,593	\$530,031	\$545,932
Luntsford Apts	\$803,847	\$820,770	\$820,770	\$854,108	\$879,731	\$906,123
West Hall	\$295,303	\$308,726	\$308,726	\$335,269	\$345,328	\$355,687
Centennial Hall	\$2,369,516	\$2,369,516	\$2,369,516	\$2,465,762	\$2,539,735	\$2,615,927
Davis Apts	\$1,025,771	\$1,025,771	\$1,025,771	\$1,056,544	\$1,088,241	\$1,120,888
Governors Hall	\$2,617,871	\$2,617,871	\$2,617,871	\$2,753,174	\$2,835,769	\$2,920,842
Lucille Clement Hall	\$1,601,584	\$1,656,184	\$1,656,184	\$1,818,344	\$1,872,894	\$1,929,081
Stone Hall	\$314,552	\$317,863	\$313,244	\$322,642	\$332,321	\$342,290
Bucc. Ridge	\$4,571,934	\$4,743,146	\$4,743,146	\$4,885,441	\$5,032,004	\$5,182,964
Summer Rentals*	\$750,000	\$750,000	\$750,000	\$750,000	\$1,250,000	\$1,250,000
Total	\$15,094,982	\$15,354,440	\$15,642,221	\$16,501,359	\$17,473,899	\$17,960,616

94% Spring
94% Spring
97% Spring
97% Spring
94% Spring
97% Spring
97% Spring
94% Spring
94% Spring
97% Spring
97% Spring

Revenue calculation = (# of Beds X Occupancy X Rate for Fall) + (Fall Revenue X column I percentage for decline in Spring)

* Revenues includes bad debt (1% rental revenues), summer rent, and other miscellaneous revenues such as conferences

ETSU System Financials One-Pager

May 10, 2022

<i>OpEx</i>	Fall 2021 FY2022	Fall 2022 FY23	Fall 2023 FY24	Fall 2024 FY25	Fall 2025 FY26	Fall 2026 FY27
Personnel	\$1,621,230	\$1,669,867	\$1,719,963	\$1,771,562	\$1,824,709	\$1,879,450
Non-Personnel	\$5,506,330	\$5,671,520	\$5,841,665	\$6,016,915	\$6,197,423	\$6,383,346
R&R Fund Contribution	\$754,749	\$767,722	\$782,111	\$825,068	\$873,695	\$898,031
Total OpEx	\$7,882,309	\$8,109,109	\$8,343,739	\$8,613,545	\$8,895,827	\$9,160,826
System Cashflows						
Net Operating Income	\$7,212,673	\$7,245,331	\$7,298,481	\$7,887,813	\$8,578,073	\$8,799,790
R&R funding contrib to DS pmt						
Debt Service - Existing	\$6,541,900	\$6,514,300	\$5,994,400	\$5,999,700	\$5,926,500	\$5,658,300
Debt Service - New bonded proje	\$0	\$300,000	\$700,000	\$900,000	\$2,100,000	\$2,100,000
DSCR	1.10	1.06	1.09	1.14	1.07	1.13
Cashflow After Debt Service	\$670,773	\$431,031	\$604,081	\$988,113	\$551,573	\$1,041,490
Add'l revenues			\$287,781	\$859,138	\$1,831,679	\$2,318,396