



JASON E. MUMPOWER  
*Comptroller*

**TENNESSEE STATE SCHOOL BOND AUTHORITY**

**JUNE 27, 2023**

**AGENDA**

1. Call meeting to order
2. Approval of minutes from the May 31, 2023, meeting
3. Consideration and adoption of written guidelines to comply with Public Chapter 300 that reserves a period for public comment
4. Annual Review of the Tennessee State School Bond Authority Debt Management Policy
5. Consideration and approval of the Resolution to Approve the Borrowing of Money by Another Method for Tennessee State University – Best Western Plus/Residency Executive
6. Consideration and approval of the Resolution to Approve the Borrowing of Money by Another Method for Tennessee State University – Red Roof Inn
7. Adjourn

**TENNESSEE STATE SCHOOL BOND AUTHORITY**  
**May 31, 2023**

The Tennessee State School Bond Authority (“TSSBA”, or the “Authority”) met on Wednesday, May 31, 2023, at 2:03 p.m., in the Volunteer Conference Center, 2<sup>nd</sup> Floor, Cordell Hull Building, Nashville, Tennessee. The Honorable Jason Mumpower, Comptroller of the Treasury, was present and presided over the meeting.

The following members were also present:

The Honorable David H. Lillard, Jr., State Treasurer  
The Honorable Tre Hargett, Secretary of State  
Commissioner Jim Bryson, Department of Finance and Administration  
Angela Scott, proxy for Dr. Flora Tydings, Chancellor, Tennessee Board of Regents

The following member participated electronically 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

Mr. Mumpower noted the presence of a physical quorum, with David Miller participating electronically, and asked Ms. Sandi Thompson, Director of the Division of State Government Finance (“SGF”), to call the roll. Ms. Thompson called the roll:

Mr. Miller – Present  
Mr. Lillard – Present  
Mr. Hargett – Present  
Mr. Mumpower – Present  
Mr. Bryson – Present  
Ms. Scott – Present

Mr. Mumpower stated that the first item on the agenda was the minutes of the April 26, 2023, meeting of the Authority. Mr. Mumpower asked if there were any questions or discussion regarding the minutes. Hearing none, Mr. Bryson made a motion to approve the minutes, Mr. Hargett seconded the motion, and Ms. Thompson took the roll:

Mr. Miller – Aye  
Mr. Lillard – Aye  
Mr. Hargett – Aye  
Mr. Mumpower – Aye  
Mr. Bryson – Aye  
Ms. Scott – Aye

The minutes were approved unanimously.

Mr. Mumpower stated that the next item on the agenda was a Resolution to Approve the Borrowing of Money by Another Method by Middle Tennessee State University (“MTSU”). Mr. Mumpower recognized Mr. Alan Thomas, Vice President for Business and Finance at MTSU, to present the request. Mr. Thomas stated that the request was a land lease agreement with the City of Shelbyville. Mr. Thomas stated the land is located directly adjacent to the Shelbyville Municipal Airport along Highway 231 and would be used as the future home of the MTSU aerospace program. Mr. Thomas stated the leased area was 16 acres and the term was for forty (40) years from its effective date, with a beginning base rate of \$300,000 per year in its initial year, and an annual escalation of 1% until the lease payment in the final year would be \$442,236.75. Mr. Thomas stated that the lease includes a provision that MTSU may purchase a portion of the property containing academic improvements with the previously paid rent to be applied towards the purchase price.

Mr. Thomas stated that some flight operations must remain on leased property inside the airport security perimeter per Federal Aviation Administration (“FAA”) regulations. Mr. Thomas stated the lease payments would be paid through MTSU aerospace departmental funds.

Mr. Hargett made a motion to approve the item and Mr. Bryson seconded the motion and Ms. Thompson took the roll:

Mr. Miller – Aye  
Mr. Lillard – Aye  
Mr. Hargett – Aye  
Mr. Mumpower – Aye  
Mr. Bryson – Aye  
Ms. Scott – Aye

The motion was approved unanimously.

Mr. Mumpower stated that the next item on the agenda was a project for Middle Tennessee State University. Mr. Mumpower recognized Mr. Alan Thomas to present the request.

- Middle Tennessee State University – Athletic Video Board Upgrades (462); Cost: \$4,500,000 of which \$3,900,000 will be financed from TSSBA; Term of Financing: 5 years as short-term financing at an assumed tax-exempt rate.

Mr. Thomas stated MTSU is requesting \$3,900,000 of TSSBA funding for the purchase and installation of new video boards with integrated audio systems. Mr. Thomas explained the new video boards were for Floyd Stadium and the Murphy Center, for the football and basketball programs. Mr. Thomas explained the current video boards were at the end of their useful lives and did not support high-definition resolution. Mr. Thomas stated the project would be paid for by a combination of gift funds, Conference USA funds, and plant funds. Mr. Thomas stated the project is currently slated for the June State Building Commission meeting.

Mr. Mumpower asked Ms. Thompson if SGF had completed a feasibility analysis for the project. Ms. Thompson stated that SGF had performed a feasibility analysis and had determined that the pledged revenues were sufficient to cover the projected debt service. Ms. Mumpower asked if there were any further questions or comments. Mr. Hargett commented that he hoped to see many highlights on the new video boards in the coming years. Mr. Lillard made a motion to approve the item. Mr. Hargett seconded the motion and Ms. Thompson took the roll:

Mr. Miller – Aye  
Mr. Lillard – Aye  
Mr. Hargett – Aye  
Mr. Mumpower – Aye  
Mr. Bryson – Aye  
Ms. Scott – Aye

The motion was approved unanimously.

Mr. Mumpower stated that the next item on the agenda was the acknowledgement of a project cancellation for the University of Tennessee Health Science Center (“UTHSC”). Mr. Mumpower recognized Mr. Austin Oakes, Assistant Vice President of the Office of Capital Projects at the University of Tennessee (“UT”), to present the request.

- University of Tennessee Health Science Center – GMP Facility Expansion (A96); Cost: \$10,000,000 all of which will be financed from TSSBA; Term of Financing: 20 years as long-term financing at an assumed taxable rate.

Mr. Oakes stated that campus leadership at the Health Science Center had determined that the project was no longer necessary and requested for it to be cancelled. Mr. Mumpower acknowledged the cancellation.

Mr. Mumpower stated that concluded the business on the agenda. Mr. Hargett made a motion to adjourn, Mr. Bryson seconded the motion, and Ms. Thompson took the roll:

Mr. Miller – Aye  
Mr. Lillard – Aye  
Mr. Hargett – Aye  
Mr. Mumpower – Aye  
Mr. Bryson – Aye  
Ms. Scott – Aye

The meeting was adjourned.

Approved on this \_\_\_\_ day of \_\_\_\_\_, 2023.

Respectfully submitted,

Sandra Thompson  
Assistant Secretary

## **Proposed Guidelines for Public Comment at Meetings**

1. Written notification to request to speak at a meeting must be sent to and received by email to Asst. Secretary, Sandi Thompson, at [SGF@cot.tn.gov](mailto:SGF@cot.tn.gov) two business days in advance of the meeting. The email should include the proposed speaker's name, the agenda item(s) upon which the speaker wishes to comment, and whether the speaker's comments will be in favor of or opposed to the agenda item(s). Speakers will be selected on a first-come first-served basis.
2. The public comment period will be held at the beginning of the meeting once the meeting is called to order and a quorum has been established.
3. Speakers will be limited to two minutes per person per agenda item, with a maximum of two speakers in favor of and two speakers opposed to each agenda item.
4. Speakers must identify themselves at the beginning of their allotted time and stay on topic of the agenda item(s) that they have indicated their desire to speak on when addressing the board.
5. Speakers should conduct themselves in a respectful manner and will be asked to remove themselves if they engage in threatening or disruptive behavior.
6. The Board, in its discretion, may ask relevant questions of any speakers providing public comment. Such question period will not include the speaker's allotted time frame.
7. The Chairman may extend the allotted time frame or the number of speakers for a particular agenda item if the Chairman determines that the circumstances reasonably require it. If the Chairman extends the allotted time frame or the number of speakers, the Chairman shall ensure that an equal extension is granted to both those in favor of and opposed to any agenda item subject to an extension.

# TENNESSEE STATE SCHOOL BOND AUTHORITY



## DEBT MANAGEMENT POLICY

Prepared by:  
Division of State Government Finance

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# Debt Management Policy

## Introduction

The Tennessee State School Bond Authority (the “Authority”), created in 1965 under the Tennessee State School Bond Authority Act (the “Act”), Sections 49-3-1201 *et seq.*, Tennessee Code Annotated (“TCA”), is a corporate governmental agency and instrumentality of the State of Tennessee whose purpose is to finance revenue generating capital projects for public institutions of higher education located in Tennessee (“Higher Education Institutions”) by issuing bonds and notes of the Authority and to finance projects approved pursuant to the Qualified Zone Academy Bond Program (“QZAB”) and Qualified School Construction Bond Program (“QSCB”)(both federal government programs for local education agencies).

The Authority has financed a variety of revenue generating higher education projects including but not limited to dormitories, athletic facilities, parking facilities and major equipment purchases. These projects stand in contrast to non-revenue generating capital projects for basic academic needs such as classrooms and libraries that are funded from the proceeds of the State’s general obligation bonds.

QZAB and QSCB projects include construction of new schools, renovation, and rehabilitation of existing schools, as well as purchase of land and equipment for use in qualified projects. Federal guidelines allow for QZAB proceeds to be used to fund teacher training. However, under Tennessee Constitution Article II, Section 24, no debt will be issued to fund current operating expenses (including internal employee labor) unless such debt is retired or repaid within the fiscal year of issuance. Thus, the Authority does not use QZAB proceeds to fund teacher training.

The Division of State Government Finance (SGF) serves as staff to the Authority. The Director of SGF serves as the Assistant Secretary to the Authority.

## Purpose

Debt management policies provide written guidance about the amount and type of debt issued by governments, the issuance process for such debt, and the management of the debt portfolio. A debt management policy tailored to the needs of the Authority: (1) identifies policy goals and demonstrates a commitment to long-term financial planning (2) improves the quality of decisions concerning debt issuance; and (3) provides justification for the structure of debt issuance. Adherence to its debt management policy signals to rating agencies and the capital markets that the Authority is well managed and able to meet its obligations in a timely manner.

Debt levels and their related annual costs are important financial considerations that impact the use of current resources. An effective debt management policy provides guidelines for the Authority to manage its debt programs in line with those resources.

The QZAB and QSCB programs are limited to the amounts allocated by the federal government. The Authority adopted the Qualified Zone Academy Bonds General Bond Resolution on September 9, 1999 and the Qualified School Construction Bonds General Bond Resolution on November 5, 2009 authorizing the issuance of QZABs or QSCBs thereunder from time to time pursuant to Supplemental Resolutions. The Tax Cuts and Jobs Act, passed in December 2017, repealed the issuance of tax credit bonds, including QZABs and QSCBs.

This policy applies to the QZAB and QSCB programs for purposes of Debt Maintenance and Federal Regulatory Compliance and Continuing Disclosure.

## Goals and Objectives

The Authority is establishing this debt policy as a tool to ensure that financial resources are adequate to meet the Authority’s long-term debt program and financial planning. In addition, this Debt Management Policy (the

“Policy”) helps to ensure that financings undertaken by the Authority satisfy certain clear objective standards designed to protect the Authority’s financial resources and to meet its long-term capital needs.

**A. The goals of this Policy**

- To document responsibility for the oversight and management of debt related transactions;
- To define the criteria for the issuance of debt;
- To define the types of debt approved for use within the constraints established by the General Assembly;
- To define the appropriate uses of debt;
- To define the criteria for evaluating refunding candidates or alternative debt structures; and
- To minimize the cost of issuing and servicing debt

**B. The objectives of this Policy**

- To establish clear criteria and promote prudent financial management for the issuance of all debt obligations;
- To identify legal and administrative limitations on the issuance of debt;
- To ensure the legal use of the Authority’s debt issuance authority;
- To maintain appropriate resources and funding capacity for present and future capital needs;
- To protect and enhance the Authority’s credit rating;
- To evaluate debt issuance options;
- To promote cooperation and coordination with other stakeholders in the financing and delivery of services;
- To manage interest rate exposure and other risks; and
- To comply with Federal Regulations and generally accepted accounting principles (“GAAP”)

**Debt Management**

**A. Purpose and Use of Debt Issuance**

Debt is to be issued pursuant to the Act, as amended, and the Higher Educational Facilities Second Program General Bond Resolution (adopted by the Authority on April 27, 1998 authorizing the issuance of Higher Educational Facilities Second Program Bonds from time to time by Supplemental Resolutions).

- Debt may be used to finance capital projects identified in the Financing Agreements between the Authority and (i) the Tennessee Board of Regents of the State University and Community College System (“TBR”) and (ii) the Board of Trustees of the University of Tennessee (“UT”).
- Debt may be used to finance project costs which include all direct capital costs and indirect capital costs of projects, including but not limited to costs of construction and acquisition, costs of issuance of debt, funded interest on debt, and amounts to fund or replenish reserves, if and to the extent approved by the Authority. In compliance with Article II, Section 24 of the Tennessee Constitution, no budgeted current operational expenditures (including internal employee labor) shall be reimbursed with debt proceeds unless such debt is retired/repaid within the fiscal year of issuance.
- Prior to the issuance of bonds, bond anticipation notes may be issued for the payment of costs as authorized by the Authority.

- Bonds may be issued to refund outstanding debt.

## **B. Debt Capacity Assessment**

- The debt capacity of the Authority is partially reliant on the debt capacity of the Higher Education Institutions. Due to this reliance, this Policy requires the assessment of the debt capacity the Higher Education Institutions on a project-by-project basis as each project is presented for approval. Debt capacity of each project is based on debt service coverage, which measures the actual margin of protection for annual debt service payments from the annual pledged revenue. Pledged revenue plus the pledge of legislative appropriations must meet a two times coverage test for a project to be approved for debt funding.
- Bond anticipation notes are limited to the amount stated in the related Resolution and/or Credit Agreement.

## **C. Federal Tax Status**

- **Tax-Exempt Debt** – The Authority will use its best efforts to maximize the amount of debt sold as tax-exempt based on the assumptions that tax-exempt interest rates are lower than taxable rates and that the interest savings outweigh the administrative costs, restrictions on use of financed projects, and investment constraints.
- **Taxable Debt** – The Authority will sell taxable debt when necessary to finance projects not eligible to be financed with tax-exempt debt.

## **D. Legal Limitations on the Use of Debt**

- Pursuant to Section 47-3-1207(d)(4) of the TCA, limitations on the purpose to which the proceeds of sale of bonds or notes may be applied are contained in the resolution or resolutions authorizing the bonds or notes.
- No debt may be issued for a period longer than the useful life of the capital project it is funding.

## **Types of Debt**

Pursuant to Section 49-3-1207 of the TCA, the Authority is authorized from time to time to issue its negotiable bonds and notes. These include:

### **A. Bonds**

The Authority may issue bonds, where repayment of the debt service obligations of the bonds will be made through revenues generated from specifically designated sources. The bonds will be special obligations of the Authority. These bonds may be structured as:

- **Fixed Interest Rate Bonds.** Bonds that have an interest rate that remains constant throughout the life of the bond.
  - Serial Bonds
  - Term Bonds
- **Variable Interest Rate Bonds.** Bonds which bear a variable interest rate but do not include any bond which, during the remainder of the term thereof to maturity, bears interest at a fixed rate. Provision as to the calculation or change of variable interest rates shall be included the corresponding Supplemental Resolution.
- **Capital Appreciation Bonds.** Bonds as to which interest is payable only at maturity or prior redemption of such Bonds or which bear a stated interest rate of zero. The corresponding Supplemental Resolution for the bonds will define the manner in which the period during which principal and interest shall be deemed to accrue, and the valuation dates for the bonds and the accreted value on the valuation date.

## **B. Short-Term Debt**

The Authority may issue short-term debt, from time to time as needed to fund projects for the Higher Educational Institutions during their construction phase. Such debt shall be authorized by resolution of the Authority. Short-term debt may be used for the following reasons:

- To fund projects with an average useful life of ten years or less; and
- To fund projects during their construction phase

Typically, short-term debt is issued during the construction period to take advantage of the lower short-term interest rates. Short-term debt will subsequently be repaid with proceeds from the sale of long-term debt or fees and charges from the borrowers. Short-term debt may include:

- **Bond Anticipation Notes (“BANs”)** – BANs are short-term interest-bearing securities generally issued to finance a capital project during construction.
- **Commercial Paper (“CP”)** – CP is a form of BANs that has a maturity up to 270 days may be rolled to a subsequent maturity date and is commonly used to finance a capital project during construction. It can be issued incrementally as funds are needed.
- **Fixed Rate Notes** – Notes issued for a period of one year or less at a fixed interest rate.
- **Variable Rate Notes** – Notes issued for a period of one year or less, which bear variable interest rates until redeemed. Provisions as to the calculation or change of variable interest rates shall be included in the authorizing resolution.
- **Revolving Credit Facility** – A form of BANs involving the extension of a line of credit from a bank. The bank agrees that the revolving credit facility can be drawn upon incrementally as funds are needed. The draws upon the line of credit may bear variable interest rates until redeemed. Provisions as to the calculation or change of variable interest rates shall be included in the authorizing credit agreement.

## **Debt Management Structure**

The Authority shall establish all terms and conditions relating to the issuance of bonds and will invest all bond proceeds pursuant to the terms of the Authority’s Second General Bond Resolution and the State’s investment policy. Unless otherwise authorized by the Authority, the following shall serve as the Policy for determining structure:

### **A. Term**

All capital projects financed through the issuance of debt will be financed for a period not to exceed the useful life of the projects, and in consideration of the ability of the borrower to absorb the additional debt service expense within the debt affordability guidelines, but in no event will the term of any bonds exceed thirty (30) years.

### **B. Capitalized Interest**

From time to time, certain financings may require the use of capitalized interest from the issuance date until the borrower has beneficial use or occupancy of the financed project. Interest may be financed (capitalized) through a period permitted by federal law and the Authority’s Second Program General Bond Resolution if it is determined that doing so is beneficial to the financing by the Authority.

### **C. Debt Service Structure**

Debt issuance shall be planned to achieve relatively net level debt service. The Authority shall avoid the use of bullet or balloon maturities, absent sinking fund requirements and capital appreciation bonds, except in those instances where these maturities serve to make existing overall debt service level or to match a specific income stream.

No debt shall be structured with deferred repayment of principal unless such structure is specifically approved by unanimous vote of the members of the Authority.

#### **D. Call Provisions**

In general, the Authority's securities will include a call provision no later than ten (10) years from the date of delivery of the bonds. Call provisions should be structured to provide the maximum flexibility relative to cost. The Authority will avoid the sale of long-term non-callable bonds absent careful evaluation by the SGF and consultation with the Financial Advisor with respect to the value of the call option.

#### **E. Original Issuance Discount/Premium**

Bonds sold with original issuance discount/premium will be permitted with the approval of the Authority.

### **Refunding Outstanding Debt**

The Authority may refund outstanding bonds by issuing new bonds. Authority staff with assistance from the Authority's financial advisor ("Financial Advisor") shall have the responsibility to analyze outstanding bond issues for refunding opportunities, whether for economic, tax-status, or project reasons.

#### **A. Refunding Opportunities**

The bonds may be considered for refunding when:

##### **Advance Refunding:**

- The refunding results in present value savings of at least 4% per series of refunded bonds. Consideration will be given to escrow efficiency when reviewing refunding candidates.

##### **Current Refunding:**

- The refunding results in present value savings of at least 2% per series of refunded bonds; or
- The present value savings per series must be equal to or greater than twice the cost of issuance allocable to the refunding series.

##### **Refunding for Other Purposes:**

- The refunding of the bonds is necessary due to a change in the use of a project that would require a change to the tax status of the bonds; or
- The project is sold or no longer in service while still in its amortization period; or
- Restrictive covenants prevent the issuance of other debt or create other restrictions on the financial management of the project and revenue producing activities.

After consultation with the Financial Advisor, the Comptroller may waive the foregoing refunding considerations given that the sale of refunding bonds will still accomplish cost savings to the public. Such waiver shall be reported in writing to the Authority at its next meeting.

##### **Present Value Savings Calculation**

Unless otherwise agreed upon by the SGF and the Financial Advisor, the present value savings shall be calculated for each series of refunding bonds (whether or not issued at the same time) by comparing the debt service on the refunding bonds to the remaining debt service on the bonds to be refunded thereby, present valued to the issue date of such refunding bonds at a discount rate equal to the arbitrage yield on such refunding bonds calculated (whether for tax-exempt bonds or taxable bonds) in the same manner as arbitrage yield is calculated for Federally tax-exempt bonds; provided, however, if a series of bonds is being issued for the purpose of refunding bonds to be refunded and for other purposes, the discount rate is equal to the arbitrage yield of the series of bonds. Percentage present value savings shall be expressed as a percentage of the par amount of such bonds to be refunded.

### **Escrow Efficiency**

Escrow efficiency is determined by dividing the present value savings by the perfect escrow cost. The perfect escrow cost is the sum of the present value savings plus the absolute value of the negative arbitrage in the escrow.

### **B. Term of Refunding Issues**

The Authority will refund bonds within the term of the originally issued debt allowing for an extension within the fiscal year of the original term. No backloading of debt will be permitted.

### **C. Escrow Structuring**

The Authority shall structure refunding escrows using legally permitted securities deemed to be prudent under the circumstances and will endeavor to utilize the least costly securities unless considerations of risk, reliability and convenience dictate otherwise. The Authority shall take all actions as may be necessary or appropriate to effectuate the transactions contemplated by the Refunding Trust Agreements, including but not limited to the purchase of State and Local Government Series securities (SLGS). Under no circumstances shall an underwriter, agent or financial advisor sell escrow securities to the Authority from its own account.

### **D. Arbitrage**

The Authority shall take all reasonable steps to optimize escrows and to avoid negative arbitrage in its refunding subject to section 49-3-1205(6) of the TCA. Any positive arbitrage will be rebated as necessary according to federal guidelines (see also “Federal Regulatory Compliance and Continuing Disclosure – A. Arbitrage”).

### **E. Cost of Issuance**

Costs of issuance includes fees paid for professional services provided to the Board in the debt issuance process, including underwriting fees.

## **Methods of Sale**

### **A. Competitive**

In a competitive sale, the Authority’s bonds shall be awarded to the bidder providing the lowest true interest cost as long as the bid adheres to the requirements set forth in the official notice of sale. The competitive sale is the Authority’s preferred method of sale.

### **B. Negotiated**

While the Authority prefers the use of a competitive process, the Authority recognizes some securities are best sold through negotiation. In a negotiated sale, an underwriting team will be chosen and the underwriter’s fees negotiated prior to the sale (see “Selection of Underwriting Team (Negotiated Transaction”). In its consideration of a negotiated sale, the Authority shall assess the following circumstances:

- A structure which may require a stronger pre-marketing effort,
- Size of the bond issuance may limit the number of potential bidders,
- Market volatility is such that the Authority would be better served by flexibility in timing a sale,
- Credit strength,
- If legal or disclosure issues make it advisable in marketing the bonds,

- Whether the bonds include market sensitive refunding(s); and
- Tax status of the bond(s).

### **C. Private Placement**

From time to time, the Authority may have a need to consider privately placing its debt where the size is too small or the structure is too complicated for public debt issuance, or the number of market purchasers is limited, and/or will result in a cost savings to the Authority relative to other methods of debt issuance.

## **Selection of Underwriting Team (Negotiated Transaction)**

If there is an underwriter, the Authority shall require the underwriter to clearly identify itself in writing, whether in a response to a request for proposals or in promotional materials provided to the Authority or otherwise, as an underwriter and not as a financial advisor from the earliest stages of its relationship with the Authority with respect to that issue. The underwriter must clarify its primary role as a purchaser of securities in an arm's-length commercial transaction and that it has financial and other interests that differ from those of the Authority. The underwriter in a publicly offered, negotiated sale shall be required to provide pricing information both as to interest rates and to takedown per maturity to the Authority or its designated official in advance of the pricing of the debt.

### **A. Senior Manager**

The Authority with assistance from its financial advisor shall select the senior manager for a proposed negotiated sale. The selection criteria shall include but not be limited to the following:

- Experience in selling Tennessee Debt;
- Ability and experience in managing complex transactions;
- Prior knowledge and experience with the Authority;
- Willingness to risk capital and demonstration of such risk;
- Quality and experience of personnel assigned to the Authority's engagement;
- Financing and marketing ideas presented; and
- Underwriting fees.

### **B. Co-Manager**

Co-managers will be selected on the same basis as the senior manager. The number of co-managers appointed to specific transactions will be a function of transaction size and the necessity to ensure maximum distribution of the Authority's bonds. The Secretary or Assistant Secretary to the Authority will, at his or her discretion, affirmatively determine the designation policy for each bond issue.

### **C. Selling Groups**

The Authority may use selling groups in certain transactions to maximize the distribution of bonds to retail investors. Firms eligible to be a member of the selling group, should either have a public finance department or pricing desk located within the boundaries of the State. To the extent that selling groups are used, the Secretary or Assistant Secretary of the Authority at his or her discretion may make appointments to selling groups as the transaction dictates.

### **D. Underwriter's Counsel**

In any negotiated sale of Authority debt in which legal counsel is required to represent the underwriter, the appointment will be made by the Senior Manager.



## Credit Quality

The Authority's debt management activities will be conducted to receive the highest credit ratings possible, consistent with the Authority's financing objectives. The Office of the Comptroller of the Treasury through the SGF will be responsible for maintaining relationships and communicating with the rating agencies that assign ratings to the Authority's debt. The SGF will schedule rating agency calls and/or visits prior to the issuance of Tennessee State School Bond Authority debt.

The SGF will provide the rating agencies with periodic updates of the general financial condition of the Authority. Full disclosure of operations and open lines of communication shall be maintained with the rating agencies. The Authority, together with the Financial Advisor, shall prepare presentations to the rating agencies to assist credit analysts in making an informed decision.

The Authority through the SGF will engage the relevant rating agencies in advance, in the event that the Authority decides to move forward with a plan of finance that includes variable rate debt, new commercial paper programs or the use of derivatives.

The Authority shall apply for ratings from at least two of the three Statistical Rating Organizations (the "SRO"). The Authority shall fully review the contract with the SRO and receive an engagement letter prior to submitting documentation for the rating.

### A. Security of Bonds

#### 1. Debt Service Reserve Fund

The Authority's Second Program General Bond Resolution provides that a Debt Service Reserve Fund shall be established for each bond that is issued

- **Cash Funded Debt Service Reserve** - a fund in which moneys are placed in reserve to be used to pay debt service if pledged revenues are insufficient to satisfy the debt service requirements. The debt service reserve fund is funded with bond proceeds at the time of issuances. The balance in the debt service reserve fund will be used to pay the final maturity of that bond. It is the Authority's current practice to establish this fund with no current funding (funded at zero dollars).
- **Reserve Fund Credit Facility** - In lieu of a cash funded Debt Service Reserve, the Authority has the option to use one of the following reserve fund credit facilities; provided, however, that at the time of acceptance by the Authority, the provider's long-term obligations of any nature or claims paying ability are rated, by each Rating Agency then rating any Outstanding Bonds, no lower than the same Rating Category (for this purpose, taking into account refinements and gradations) as the Bonds are then rated by such Rating Agency:
  - Letter of Credit;
  - Debt service reserve insurance policy; or
  - any other similar financial arrangement as determined by Supplemental Resolution, and which is used to fund all or a portion of the Debt Service Reserve Requirement

#### 2. Liquidity Facility

In the event the Authority shall utilize CP, the Authority may set up a liquidity facility to provide liquidity to securities that have been tendered. The liquidity facility may be in the form of a letter of credit, advance agreement or other arrangement that may provide liquidity.

#### 3. Interest Rate Reserve Fund

The Authority may establish an interest reserve fund for bond anticipation notes issued for each project. The interest reserve fund shall provide security for interest due on bond anticipation notes

as such interest matures between billings. The borrowers shall be charged on a monthly basis based on the amount borrowed. When the short-term debt for a project is either repaid or converted into bonds or other long-term debt, the amount invested in the reserve fund shall be credited back to the borrower.

## **B. Intercept of State Appropriations**

Section 4.05 of the Authority's Second Program Financing Agreements provides the Authority the ability, in the event the Board of Trustees of the University of Tennessee or the Tennessee Board of Regents has failed to pay the annual financing charges or administrative fees due, to intercept amounts appropriated by the General Assembly of the State of Tennessee for the operation and maintenance of the Institution to cover the amount due and payable.

## **Credit Enhancements**

The Authority will consider the use of credit enhancements on a case-by-case basis, evaluating the economic benefit versus cost for each case. Only when clearly demonstrable savings can be shown shall an enhancement be considered. The Authority will consider each of the following enhancements as alternatives by evaluating the cost and benefit of such enhancements:

### **A. Bond Insurance**

The Authority may purchase bond insurance when such purchase by the Authority is deemed prudent and advantageous. The primary consideration shall be based on whether the insurance would be less costly. For competitive sales, the purchaser of the bonds may be allowed to determine whether bond insurance will be used. If the Authority decides to purchase insurance, it shall do so on a competitive bid basis whenever practicable. In a negotiated sale, the Authority will select a provider whose bid is most cost effective and will consider the credit quality of the insurer, and that the terms and conditions governing the guarantee are satisfactory to the Authority.

### **B. Letters of Credit**

The Authority may enter into a letter-of-credit (LOC) agreement when such an agreement is deemed prudent and advantageous. The Authority will prepare and distribute a request for proposals to qualified banks or other qualified financial institutions which institutions, which includes terms and conditions that are acceptable to the Authority. The LOC will be awarded to the bank or financial institution providing the lowest cost bid with the highest credit quality that meets the criteria established by the Authority.

### **C. Liquidity**

For variable rate debt requiring liquidity facilities to protect against remarketing risk, the Authority will evaluate:

- Alternative forms of liquidity, including direct pay letters of credit, standby letters of credit, and lines of credit, in order to balance the protection offered against the economic costs associated with each alternative;
- Diversification among liquidity providers, thereby limiting exposure to any individual liquidity provider;
- All cost components attendant to the liquidity facility, including commitment fees, standby fees, draw fees, and interest rates charged against liquidity draws; and
- A comparative analysis and evaluation of the cost of external liquidity providers compared to the requirements for self-liquidity.

The winning bid will be awarded to the bank or financial institution providing the lowest cost with the highest credit quality that meets the criteria established by the Authority.

## **D. Use of Structured Products**

No interest rate agreements or forward purchase agreements will be considered unless the Authority has established a policy defining the use of such products before the transaction is considered.

## **Risk Assessment**

The SGF will evaluate each transaction to assess the types and amounts of risk associated with that transaction, considering all available means to mitigate those risks. The SGF will evaluate all proposed transactions for consistency with the objectives and constraints defined in this Policy. The following risks should be assessed before issuing debt:

### **A. Change in Public/Private Use**

The change in the public/private use of a project that is funded by tax-exempt funds could potentially cause a bond issue to become taxable.

### **B. Default Risk**

The risk that debt service payments due from the borrowers are not all received by the due date.

### **C. Liquidity Risk**

The risk of having to pay a higher rate to the liquidity provider in the event of a failed remarketing of short-term debt.

### **D. Interest Rate Risk**

The risk that interest rates will rise, on a sustained basis, above levels that would have been set if the issue had been fixed.

### **E. Rollover Risk**

The risk of the inability to obtain a suitable liquidity facility at an acceptable price to replace a facility upon termination or expiration of the contract period.

### **F. Market Risk**

The risk in the event of a failed remarketing of short-term debt, the Liquidity Provider fails.

## **Transparency**

The Authority shall comply with the Tennessee Open Meetings Act, providing adequate public notice of meetings and specifying on the agenda when matters related to debt issuance will be considered. Additionally, the Authority will provide certain financial information and operating data by specified dates, and provide notice of certain enumerated events with respect to the bonds, pursuant to continuing disclosure requirements of the U.S. Securities and Exchange Commission (“SEC”) Rule 15c2-12,. The Authority intends to maintain transparency by:

- Posting the Official Statement of a bond sale to the Authority’s website within two weeks of the closing of such sale;
- Preparing and filing with the Division of Local Government Finance (LGF) a copy of the costs related to the issuance of a bond and other information required by Section 9-21-151 of the TCA, within 45 days of the closing of such sale and presenting the original of such document to the Authority at its next meeting (see also “Debt Administration – B. Post Sale”); and
- Electronically submitting through the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (“EMMA”) website the information necessary to satisfy the Authority’s continuing disclosure requirements in a timely manner (see also “Federal Regulatory Compliance and Continuing Disclosure”).

## **Professional Services**

The Authority requires all professionals engaged to assist in the process of issuing debt to clearly disclose all compensation and consideration received related to services provided in the debt issuance process by the Authority. This includes “soft” costs or compensations in lieu of direct payments.

### **A. Issuer’s Counsel**

The Authority will enter into an engagement letter agreement with each lawyer or law firm representing the Authority in a debt transaction. No engagement letter is required for any lawyer who is an employee of the Office of Attorney General and Reporter for the State of Tennessee which serves as counsel to the Authority or of the Office of General Counsel, Office of the Comptroller of the Treasury, which serves as counsel to the SGF regarding Board matters.

### **B. Bond Counsel**

Bond Counsel shall be engaged through the SGF and serves and assists the Authority on all its debt issues under a written agreement.

### **C. Financial Advisor**

The Financial Advisor shall be engaged through the SGF and serves and assists the Authority on financial matters under a written agreement. However, the Financial Advisor shall not be permitted to bid on, privately place or underwrite an issue for which it is or has been providing advisory services. The Financial Advisor has a fiduciary duty including a duty of loyalty and a duty of care.

### **D. Trustee/Refunding Trustee**

The Trustee is appointed under the General Bond Resolution of the Authority. The Trustee will be a bank, trust company or national banking association that provides Paying Agent and Registrar services. The Trustee will also serve as the Refunding Trustee for the Authority’s refunded bonds as appointed under the General Bond Resolution.

### **E. Dealer**

The Authority will enter into a Dealer Agreement with the appointed CP dealer. The Dealer agrees to offer and sell the CP, on behalf of the Authority, to investors and other entities and individuals who would normally purchase commercial paper.

### **F. Issuing and Paying Agent**

The Authority covenants to maintain and provide an Issuing and Paying Agent at all times while the CP is outstanding. The Authority will enter into an Issuing and Paying Agency Agreement with an appointed firm. The Issuing and Paying Agent will be a bank, trust company, or national banking association that has trust powers.

### **G. Credit/Liquidity Provider**

The Authority shall enter into a Credit/Liquidity Agreement with an appointed provider if deemed necessary or advisable for the CP. The provider shall be a bank, lending institution or the Tennessee Consolidated Retirement System (“TCRS”) that extends credit to the Authority in the form of a revolving credit facility, a line of credit, a loan, or a similar credit product or as a liquidity facility for CP.

### **H. Verification Agent**

The Verification Agent will be selected through a request for proposal process prior to the issuance of refunding bonds. The Verification Agent primarily verifies the cash flow sufficiency to the call date of the escrowed securities to pay the principal and interest due on the refunded bonds.

## **I. Escrow Bidding Agent**

The Escrow Bidding Agent will be selected through a request for proposal process prior to the issuance of refunding bonds. With regards to structuring the refunding escrow with investment securities, the Escrow Bidding Agent will prepare bidding specifications, solicit bids for investment securities, review and evaluate responses to the bids, accept and award bids, and provide final certification as to completion of requirements.

## **Potential Conflicts of Interest**

Professionals involved in a debt transaction hired or compensated by the Authority shall be required to disclose to the Authority existing client and business relationships between and among the professionals to a transaction (including but not limited to financial advisor, swap advisor, bond counsel, swap counsel, trustee, paying agent, underwriter, counterparty, and remarketing agent), as well as conduit issuers, sponsoring organizations and program administrators. This disclosure shall include such information that is reasonably sufficient to allow the Authority to appreciate the significance of the relationships.

Professionals who become involved in a debt transaction as a result of a bid submitted in a widely and publicly advertised competitive sale conducted using an industry standard, electronic bidding platform are not subject to this disclosure provision. No disclosure is required if such disclosure would violate any rule or regulation of professional conduct.

## **Debt Administration**

### **A. Planning for Sale**

In planning for the sale of bonds, the procedures outlined below will be followed:

- Prior to submitting a bond resolution for approval, the Director of SGF (the “Director”), with the assistance of the Financial Advisor, will present to staff of the members of the Authority information concerning the purpose of the financing, the proposed structure of the financing, the source of payment proposed to be pledged to the financing, the proposed method of sale for the financing, all members of the proposed financing team, and an estimate of all the costs associated with the financing; and
- In addition, in the case of a proposed refunding, proposed use of credit enhancement, or proposed use of variable rate debt, the Director will present the rationale for using the proposed debt structure, an estimate of the expected savings associated with the transaction and a discussion of the potential risks associated with the proposed structure; and
- The Director (with the assistance of staff of SGF), Bond Counsel, Financial Advisor, along with other members of the financing team will prepare a Preliminary Official Statement describing the transaction and the security for the debt that is fully compliant with all legal requirements.

### **B. Preparing for Bond Closing**

In preparation for the bond closing, the procedures outlined below will be followed:

- The Director (with the assistance of staff in the SGF), Bond Counsel, and Financial Advisor, along with other members of the financing team, will prepare an Official Statement describing the transaction and the security for the debt that is fully compliant with all legal requirements.
- The Financial Advisor will provide a closing memorandum with written instructions on transfer and flow of funds;
- Authority staff with assistance from the Financial Advisor will evaluate each bond sale after completion to assess the following: costs of issuance including underwriters’ compensation,

pricing of the bonds in terms of the overall interest cost and on a maturity-by-maturity basis, and the distribution of bonds and sales credits, if applicable.

- The Director will present a post-sale report to the members of the Authority describing the transaction and setting forth all the costs associated with the transaction.
- Within 45 days from closing, the Director will prepare a Form CT-0253 - “Report on Debt Obligation” outlining costs related to the issuance and other information set forth in Section 9-21-151 of the TCA, and also present at the next meeting of the Authority and file a copy with the LGF.
- The Director will establish guidelines and procedures for tracking the flow of all bond proceeds, as defined by the Internal Revenue Code, over the life of bonds and reporting to the Internal Revenue Service (the “IRS”) all arbitrage earnings associated with the financing and any tax liability that may be owed to the Service.
- The Post-Issuance Compliance (“PIC”) team will meet annually to review matters related to compliance and complete the PIC Checklist.
- As a part of the PIC procedures, the Director (with the assistance of staff in the SGF) will, no less than annually, request confirmation from the borrowers that there has been no change in use of tax-exempt financed facilities.

### **C. Continuing Administration**

- Authority staff will prepare billings in a timely manner to send to the borrowers to ensure payment in a timely manner.
- Authority staff will send moneys collected from borrowers for payment of debt service to either the Depository Trust Company (“DTC”) or the associated Trustee/Paying Agent to pay the bondholders the debt service due, or in the case of term bonds, place the funds in a sinking fund until the bond matures.

## **Federal Regulatory Compliance and Continuing Disclosure**

### **A. Arbitrage**

The SGF will comply with arbitrage requirements on invested tax-exempt bond funds consistent with representations made in the relevant Tax Certificate. Proceeds that are to be used to finance construction expenditures are exempted from the filing requirements, provided that the proceeds are spent in accordance with requirements established by the IRS. The Authority will comply with all of its tax certificates for tax-exempt financings by monitoring the arbitrage earnings on bond proceeds on an interim basis and by rebating all positive arbitrage when due, pursuant to Internal Revenue Code, Section 148. The Authority currently contracts with an arbitrage consultant to prepare these calculations, when needed. The Authority will also retain all records relating to debt transactions for as long as the debt is outstanding, plus three years after the final redemption date of the transaction.

### **B. Investment of Proceeds**

Any proceeds or other funds available for investment by the Authority must be invested per Section 49-3-1205(6) of the TCA, subject to any restrictions required pursuant to the next sentence or pursuant to any applicable bond issuance authorization. Compliance with federal tax code arbitrage requirements relating to invested tax-exempt bond funds will be maintained.

Proceeds used to refund outstanding long-term debt shall be placed in an irrevocable refunding trust fund with the Refunding Trustee. The investments (i) shall not include mutual funds or unit investment trusts holding such obligations, (ii) are rated not lower than the second highest rating category of both Moody’s Investors Service, Inc. and Standard & Poor’s Global rating services and (iii) shall mature and bear interest

at such times and such amounts as will be sufficient, together with other moneys to pay the remaining defeasance requirements of the bonds to be redeemed.

### **C. Disclosure**

The Authority will disclose on EMMA the State's and the Authority's audited Annual Comprehensive Financial Report as well as certain financial information and operating data required by the continuing disclosure undertakings for the outstanding bonds no later than January 31st of each year or February 25<sup>th</sup> for the Qualified School Construction Bond (QSCB) Program. The Authority will provide timely notice of any failure to provide required annual financial information by January 31 or February 25<sup>th</sup> for the QSCB Program. The Authority, with respect to borrowers under the QSCB Program (the "QSCB Borrowers"), will provide by no later than one year after the end of each respective fiscal year:

- the updated version of the state-shared taxes contained in the Official Statement with respect to the Authority and the QSCB Borrowers
- Audited Financial Statements of the QSCB Borrowers, if available, or the Unaudited Financial Statements of the QSCB Borrowers

The Authority will also, in accordance with the continuing disclosure undertakings, disclose on EMMA within ten business days after the occurrence of the following events relating to the bonds to which the continuing disclosure undertakings apply:

- Principal and interest payment delinquencies
- Nonpayment-related defaults, if material
- Unscheduled draws on debt service reserves reflecting financial difficulties
- Unscheduled draws on credit enhancements reflecting financial difficulties
- Substitution of credit or liquidity providers or their failure to perform
- Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of such bonds or other material events affecting the tax status of such bonds
- Modifications to rights of bondholders, if material
- Bond calls, if material, and tender offers
- Defeasances
- Release, substitution or sale of property securing the repayment of the bonds, if material
- Rating changes
- Bankruptcy, insolvency, receivership, or similar event of the State
- Consummation of a merger, consolidation, or acquisition involving the Authority or sale of all or substantially all of the assets of the Authority, other than in the course of ordinary business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- Appointment of successor trustee or the change of name of a trustee if material
- Incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, if material

- Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the issuer or obligated person, any of which reflect financial difficulties

#### **D. Generally Accepted Accounting Principles (GAAP)**

The Board will comply with the standard accounting practices adopted by the Governmental Accounting Standards Board and with the accounting policies established by the Department of Finance and Administration when applicable.

#### **Review of the Policy**

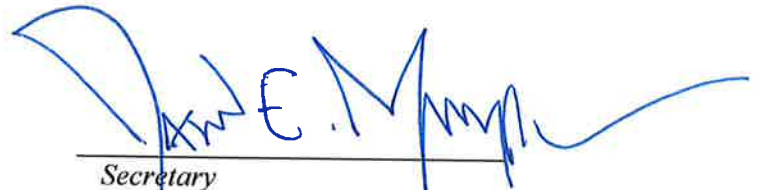
The debt policy guidelines outlined herein are intended to provide direction regarding the future use and execution of debt. The Authority maintains the right to modify these guidelines in a manner similar to the original adoption of the Policy.

This policy will be reviewed no less frequently than annually. At that time the Director will consider any recommendations for any amendments, deletions, additions, improvements or clarification.



## Adoption of the Policy

1. A public hearing on the Policy was held on the following date: November 14, 2011.
2. The Authority adopted this Policy on December 8, 2011, effective December 8, 2011.
3. The Authority amended this policy on February 4, 2013, effective February 4, 2013.
4. The Authority amended this policy on March 10, 2016, effective March 10, 2016.
5. The Authority amended this policy on June 9, 2016, effective June 9, 2016.
6. The Authority amended this policy on May 11, 2017, effective May 11, 2017.
7. The Authority amended this policy on June 27, 2019, effective June 27, 2019.
8. The Authority amended this policy on July 22, 2021, effective July 22, 2021



Secretary  
Tennessee State School Bond Authority

**ANNUAL REVIEW**

The Authority has reviewed and accepted the Debt Management Policy on:

November 21, 2014

January 20, 2016

July 20, 2020

July 26, 2022

June 27, 2023

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

**Recitals**

Whereas, Tennessee State University (“TSU”) has experienced an unprecedented demand for student housing; and

Whereas, TSU is proposing to partially meet its current housing needs by entering into a lease agreement (the “Lease”) with Sai Hotel, LLC d/b/a Best Western Plus/Residency Executive (“Best Western Plus”) located at 2401 Brick Church Pike, Nashville, TN 37207; and

Whereas, pursuant to the Lease, TSU will have access to one hundred and fifty-nine (159) rooms (the “Rooms”) that will provide a total of two hundred and fifty-nine (259) beds (one hundred [100] double bedrooms, and fifty-nine [59] single bedrooms) and, in addition, give access to all Best Western Plus public spaces and amenities including parking and laundry facilities; and

Whereas, Best Western Plus will also provide bi-weekly housekeeping; and

Whereas, TSU will provide shuttle service to/from campus for the convenience of its students and TSU police and security will monitor Best Western Plus and provide any necessary security and TSU will also provide resident services for its students residing at Best Western Plus; and

Whereas, the Lease benefits both TSU and its students through:

- Increased enrollment and retention by providing available housing for TSU students. If housing is not available, some students may choose other institutions that may offer them housing.
- Allowing students to utilize financial aid to cover the cost of their on-campus housing.
- Providing affordable housing options in Nashville for TSU students (in the current Nashville housing market).
- Minimizing COVID-19 housing related issues related to housing population density; and

Whereas, the Lease term runs from August 19, 2023, through May 5, 2024, the rate per room is one hundred and thirteen dollars and no cents (\$113.00) per night including furniture, bedding, bath towels, microwaves, mini-fridges, televisions with cable, high-speed Internet and there are no additional fees for access to common areas or Best Western Plus services; and

Whereas, the total contracted rate under the Lease for the Rooms is four million six hundred seventy-one thousand four hundred twenty dollars and no cents (\$4,671,420.00); and

Whereas TSU may terminate the Lease with 30 days' notice to Best Western Plus or immediately in the event TSU discontinues all residential student operations due to COVID-19; and

Whereas, the Lease payments will be funded by TSU through Plant Funds (Aux-Housing).

**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 for TSU 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 June 27, 2023.

Adopted by the Authority at its meeting on June 27, 2023.

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JASON E. MUMPOWER, SECRETARY  
TENNESSEE STATE SCHOOL BOND AUTHORITY

TENNESSEE STATE UNIVERSITY

**Acquisition – Lease (Space)**

**Requested Action:** Approval of a lease

**Transaction Description:** Transaction No. [ 332.77-23.4285 ]

- **Proposed Lease**

- **Location:** Tennessee State University - Nashville  
Davidson County – 3500 John A. Merritt Blvd, Nashville, TN
- **Landlord:** Sai Hotel LLC d/b/a Best Western Plus/Residency Executive, 2401 Brick Church Pike,  
Nashville, TN 37207
- **Term:** August 19, 2023 to May 5, 2024
- **Area / Costs:** Up to 159 hotel rooms

	<u>\$/room</u>	<u>Estimated Total Cost</u>
Cost per room	\$113.00/night	\$4,671,420.00

- **Source of Funding:** Auxiliary Funds-(Housing)
- **Procurement Method:** Negotiated

**Comment:** These rooms are needed to provide housing for undergraduate students for the Fall 2023-Spring 2024 semesters. TSU is expecting approximately 4,329 residential students for the Fall semester and currently has 3,663 available beds. The additional 259 beds available at Best Western Plus/Residency Executive (100 rooms-double, 59 rooms- single) will help TSU close the housing gap. If necessary, some of these rooms will be used to meet social distancing and quarantine requirements.

TSU Students will have access to the hotel public spaces and amenities, including parking and laundry facilities. Best Western Plus/Residency Executive will also provide furniture, bedding, bath towels, microwaves, mini-fridges, televisions with cable, high-speed Internet as well as bi-weekly housekeeping.

The cost to our students for the semester is as follows:

Single occupancy rooms = \$3,500 per semester  
Double occupancy rooms = \$3,400 per semester

This hotel was selected because of the location and the availability of rooms for this use. Advertising is not required since the term of this lease is for one year or less and an unforeseen situation has arisen making it impractical to advertise.

The lease terms allow for early termination in the event TSU discontinues all residential operations and termination for convenience with thirty days' notice.

June 22, 2023

## Executive Summary

Tennessee State University requests approval of waiver of advertisement and approval of a short-term lease with Best Western Plus/Residency Executive located at 2401 Brick Church Pike, Nashville, TN 37207, to house TSU students for the fall 2023 and spring 2024 semesters.

Under the lease agreement, TSU will have access to 159 (100 double bedrooms, and 59 single bedrooms), guest rooms, common spaces, and amenities including parking and laundry facilities.

## **Request**

Due to unprecedented demand for student housing, Tennessee State University is asking for approval of a lease agreement with Best Western Plus/Residency Executive. TSU will have exclusive use of the hotel with no other/public guest occupancy during the school term.

This short-term lease agreement will allow TSU to meet the current housing needs driven by the increased demand for student housing.

Best Western Plus/Residency Executive will make available for TSU's use 159 rooms that will provide a total of 259 beds (100 double bedrooms, and 59 single bedrooms). Best Western Plus/Residency Executive will provide room cleaning services bi-weekly.

A shuttle service to/from campus is provided for the convenience of TSU students. TSU police and security will monitor the hotel and provide any necessary security. TSU will also provide resident services for our students residing in the Best Western Plus/Residency Executive.

## **Benefit to TSU**

TSU is committed to serving our student population, and this includes housing services to accommodate our students' housing needs. The benefits to TSU are as follows:

- Increase enrollment and retention by having available housing for our students. If housing is not available, some students may choose other institutions who may offer them housing.
- Allow students to utilize financial aid to cover the cost of their on-campus housing.
- Provide affordable housing options in Nashville for TSU students, given the current high-cost Nashville housing market.



OFFICE OF  
THE PRESIDENT

**TENNESSEE STATE UNIVERSITY**  
3500 JOHN A. MERRITT BOULEVARD  
NASHVILLE, TENNESSEE 37209-1561

June 20, 2023

State Building Commission of Tennessee  
Governor Bill Lee  
Lieutenant Governor Randy McNally  
Speaker of the House Cameron Sexton  
Secretary of State Tre Hargett  
Comptroller of the Treasury Jason Mumpower  
State Treasurer David Lillard  
Commissioner Jim Bryson

Re: Justification for Waiver of Advertising and Approval of Short-Term Lease

In submitting this letter, Tennessee State University seeks the approval of the State Building Commission of Tennessee to execute short-term leases for student overflow housing during the fall 2023 and spring 2024 semesters at the following hotel locations:

Best Western Plus/Residency	2401 Brick Church Pike, 37207
Executive Best Western Plus Sunrise Inn	3200 Dickerson Pike, 37207

Tennessee State University (TSU) opened its new 700-bed residence hall at the beginning of the fall 2023 fiscal to provide additional beds for our students. As a result, TSU is expecting exactly 4,329 residential students in the fall 2023 semester, but currently has only 3,663 available beds on its campus and 227 available beds adjacent to campus (Jefferson Flats (64) + House of God (163) leases). Expanding TSU's housing to off-campus overflow sites is in the best interest of the State. The two hotels requested above will provide an additional 439 beds that will align with our needs for the fall 2023 and spring 2024 academic year. This request will support student retention, allow students to utilize financial aid to cover housing expenses, and provide affordable housing in Nashville's high-cost housing market. TSU joins MTSU and other Tennessee higher education institutions impacted by housing related issues connected to population density.

This request for additional housing was presented to the numerous stakeholders, state official and legislators during the various fall legislative hearings. TSU has taken measures to reduce the number of accepted students in the Fall 2023 to better align with the housing demand. Housing applications were closed mid April this year. TSU is requesting a waiver of advertisement to proceed with two short-term leases. If approved, students will begin to occupy the space in mid-August.

*"Think • Work • Serve"*  
AN EQUAL OPPORTUNITY/ AFFIRMATIVE  
ACTION EMPLOYER M/F

State Building Commission of Tennessee State University  
June 20, 2023  
Page 2

TSU is currently examining long-term student housing needs and available options for additional space after the expiration of the lease agreement with the hotels listed above. Currently, TSU does not view the leasing of hotel properties as a long-term solution for housing shortages and is evaluating potential, suitable, and cost-effective alternatives.

Due to the unforeseen demand for student housing, the impracticality of advertising for short term housing providers, and the benefits of providing housing to TSU students, I respectfully request your approval of this short-term lease agreement.

Sincerely,



Glenda Glover President



Fabien Jolivet, AD of Planning and Design



**AGREEMENT  
BETWEEN  
TENNESSEE STATE UNIVERSITY  
AND  
SAI HOTEL LLC**

This Agreement is made as of \_\_\_\_\_, by and between **Tennessee State University**, acting for the benefit of the Tennessee State University Board of Trustees, located at 3500 John A. Merritt Boulevard, Nashville, Tennessee 37209-1561, hereinafter referred to as the "Institution," and **Sai Hotel LLC d/b/a Best Western Plus/Residency Executive** having its principle office located at **2401 Brick Church Pike, Nashville, TN 37207** hereinafter referred to as "Best Western Plus."

**WITNESSETH**

In consideration of the mutual promises herein contained, the parties have agreed and do hereby enter into this Agreement according to the provisions set out herein:

A. Best Western Plus agrees to perform the following services:

1. Best Western Plus will lease 159 hotel rooms, including 100 double rooms and 59 single rooms, located at 2401 Brick Church Pike, Nashville, TN 37207 (the "Leased Rooms") to the Institution for off-campus housing from **August 19, 2023 through May 5, 2024** (Term"). Each Leased Room will be furnished with bed(s), bedding, bath towels, microwave, mini-fridge, television with cable, high-speed internet sufficient to support student academic activities, biweekly housekeeping, air conditioning, and all utilities including electricity and water. Students housed in the Leased Rooms will have access to Best Western Plus common spaces and parking. Students will pay their own charges for incidentals, if applicable.
2. Best Western Plus shall provide breakfast from 6:30 a.m. to 9 a.m. each day during the Term. For five (5) days each week (Tuesday, Thursday, Friday, Saturday, and Sunday) the breakfast shall be comparable to the breakfast typically served to Best Western's guests including self-serve hot and cold items. For the other two (s) days each week (Monday and Wednesday) the breakfast shall not include hot items.
3. Best Western Plus shall provide staff on-site as is necessary to effectuate, carry out, and perform all the terms, provisions, and conditions of this Agreement. Best Western Plus staff shall coordinate with TSU onsite security when accessing the Leased Rooms.
4. Best Western Plus shall maintain throughout the Term a policy of commercial general liability insurance against claims of bodily injury, death, and property damage in the amount appropriate for its business activities. Best Western Plus shall provide the Institution with a certificate evidencing such coverage upon request.
5. TSU shall have exclusive access to the Best Western Plus premises throughout the Term. Best Western Plus shall not lease, license, or otherwise provide access to any portion of the Best Western Plus premises to any third party at any time during the Term.

B. The Institution agrees to compensate Best Western Plus as follows:

1. Rate of Compensation: One Hundred Thirteen Dollars and No Cents (**\$113.00**) per room per night, total compensation not to exceed Four Million, Six Hundred Seventy-One Thousand, Four Hundred Twenty Dollars and No Cents (**\$4,671,420.00**).
2. Timetable for Payment: Monthly, in arrears.
3. Payments to Best Western Plus shall be made upon submittal of an invoice by Best Western Plus, and after performance of the portion of the services which the invoiced amount represents. The final payment shall be made only after Best Western Plus has completely performed its duties under this Agreement.

If Best Western Plus is a non-resident alien, payment of any portion of the contract from any source will not be made by the Institution until an individual Taxpayer Identification Number or Social Security Number has been assigned to Best Western Plus by the Internal Revenue Service and Immigration Naturalization Service and presented to the Institution.

C. Institution Access

1. Institution is permitted to provide security personnel and equipment on Best Western Plus premises and, upon request, shall have access to any security video recorded by Best Western Plus during the Term.
2. Institution administrative personnel may have access to Best Western Plus premises as needed.
3. Best Western Plus shall provide Institution with access to any Leased Room immediately upon request.
4. Institution shall be permitted to operate shuttle services on Best Western Plus premises for Institution student and employee use.

D. Termination.

1. Institution shall have the right to terminate the Agreement for convenience with thirty (30) days prior written notice to Best Western Plus at its principal address. Written notice shall also include notice by email and the effective date of such notice shall be the date of receipt, provided such receipt has been confirmed by the recipient.
2. Institution shall have the right to terminate the Agreement in the event Institution discontinues all residential student operations due to concerns related to medical outbreaks/pandemics.
3. In the event of termination, Best Western Plus shall be entitled to receive payment for fees incurred up to the date of termination. Upon such termination, Best Western Plus shall have no right to any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

E. The parties further agree that the following shall be essential terms and conditions of this Agreement.

1. Rules and Procedures. If any Institution student should violate any Best Western Plus rules or procedures or any applicable law, regulation, ordinance, or statute with respect to any of the Leased Rooms, Best Western Plus shall cooperate in Institution's student discipline procedures.
2. Best Western Plus Employees. Best Western Plus will not knowingly assign any individual to provide services to Institution if the individual has a history of criminal conduct. For purposes of this Agreement, "criminal conduct" means charges filed by any government agency, excluding non-moving violations and speeding violations or any other non-felonious charge. Furthermore, Best Western Plus must inform the Institution immediately if Property Owner has actual knowledge that any of Property Owner's employees or sub-contractors are listed in the Tennessee Abuse Registry or the Tennessee Sex Offender Registry. If Institution requests, Best Western Plus must perform a comprehensive criminal background check on any Best Western Plus employee or sub-contractor.
3. Non-Employment by State. Best Western Plus warrants that no part of the total contract amount provided herein shall be paid, directly or indirectly, to any officer or employee of the State of Tennessee as wages, compensation, or gifts in exchange for acting as officer, agent, employee, sub-contractor, or consultant to Best Western Plus in connection with any work contemplated or performed relative to this Agreement.
4. Non-Discrimination. The parties agree to comply with Title VI and VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, Executive Order 11,246, the Americans with Disabilities of 1990 and the related regulations of each. Each party assures that it will not discriminate against any individual including, but not limited to, employees or applicants for employment and/or students, because of race, religion, creed, color, sex, age, disability, veteran status or national origin.

Best Western Plus also agrees to take affirmative action to ensure that applicants are considered for employment, and employees are treated during their employment, without regard to their race, religion, creed, color, sex, age, disability, veteran status or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection available to employees and applicants for employment.

The Institution is committed to providing accessible information, materials and technologies to assure that individuals with disabilities have access to Institution resources comparable to access that is available to others.

5. Prohibition on Hiring Illegal Immigrants. T.C.A. § 12-3-309 prohibits State entities from contracting to acquire goods or services from any person who knowingly utilizes the service of illegal immigrants in the performance of the contract and by signing this Contract, the Contactor attests, certifies, warrants, and assures that Best Western Plus shall not knowingly utilize the services of illegal immigrants in the performance of the Contract and will not knowingly utilize the services of any subcontractor, if permitted under the Contract, who will utilize the services of illegal immigrants in the performance of the Contract.
6. Iran Divestment Act. In accordance with the Iran Divestment Act, Tennessee Code Annotated § 12-12-101 et seq., Best Western Plus certifies that to the best of its

knowledge and belief, neither Best Western Plus nor any of its subcontractors are on the list created pursuant to Tennessee Code Annotated § 12-12-106. Misrepresentation may result in civil and criminal sanctions, including contract termination, debarment, or suspension from being a contractor or subcontractor under the Institution's contracts.

7. Modification. This Agreement may be modified only by written amendment executed by all parties hereto.
8. Liability. Each party shall be solely liable for payment of its portion of all claims, liability, costs, expenses, demands, settlements, or judgments resulting from negligence, actions or omissions of itself or those for whom it is legally responsible relating to or arising under this Agreement. Any and all monetary claims against the State of Tennessee, its officers, agents, governing board, and employees in performing any responsibility specifically required under the terms of this Agreement shall be submitted to the Board of Claims or the Claims Commission of the State of Tennessee and shall be limited to those provided for in T.C.A. § 9-8-307.
9. Responsibility. Institution is only responsible for the acts of its employees. Best Western Plus acknowledges that Institution is not liable for the acts of its students or their invitees. Institution can agree to acknowledge that Best Western Plus has a right to remove guests, but Institution is legally not and legally cannot be, liable for the acts of its students.
10. Receipts. Best Western Plus shall maintain documentation for all charges against the Institution under this Agreement. The books, records, and documents of Best Western Plus insofar as they relate to work performed or money received under this Agreement, shall be maintained in conformity with generally accepted accounting principles for a period of five (5) full years from the date of the final payment, and shall be subject to audit, at any reasonable time and upon reasonable notice, by the Institution or the State Comptroller of the Treasury or their duly authorized representatives.
11. Tennessee Department of Revenue. In compliance with the requirements of T.C.A. § 12-3-306, Best Western Plus hereby attests that it has registered with the State of Tennessee's Department of Revenue for the collection of Tennessee sales and use tax.
12. Non-Assignment. Best Western Plus shall not assign this Agreement or enter into sub-contracts for any of the work described herein without obtaining the prior written approval of the Institution, as appropriate.
13. Governing Law. This Agreement shall be governed by and construed pursuant to the laws of the State of Tennessee.
14. Forms. Best Western Plus agrees that no services shall commence until this Agreement is fully executed by both parties and that a Minority Ethnicity and W-9 forms are completed and returned with this Agreement.
15. Notices.
  - a. **William Fain** is the Institution Contract Monitor for this Agreement and can be reached at **tel: 615-963-5643, fax: 615-963-5051** or email: [wfain@tnstate.edu](mailto:wfain@tnstate.edu).

b. **Samir Zaveri** is the Best Western Plus contact for this Agreement and can be reached at **tel: 615-479-1600**, or email: **samirrx@yahoo.com**.

16. Independent Contractor. Nothing in this Agreement shall be deemed or construed to create a joint venture or partnership between the parties for any purpose. Neither party has any authority to obligate the other to third parties. All debts and liabilities incurred by each party shall be and remain the debts and liabilities of such party, subject to such reimbursement as may be provided for herein.

17. Compliance with Laws. Best Western Plus shall comply with all applicable federal, state and local laws and regulations in the performance of the contract.

**IN WITNESS WHEREOF**, the parties have by their duly authorized representatives set forth their signatures:

**SAI HOTEL LLC**

By: \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
Name: \_\_\_\_\_

**TENNESSEE STATE UNIVERSITY**

By: \_\_\_\_\_ President \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
Dr. Glenda Glover

**STATE OF TENNESSEE:**

Approved as to form and legality:

\_\_\_\_\_  
Jonathan Skrmetti, Attorney General and Reporter

## Potential Documentation for Housing Leases

1. Enrollment data
  - a. Minimum prior two years -

Fall 2021	Fall 2022	Spring 2022	Fall 2023	Spring 2023
8,077	9,218	6,501	9,200	7,282
  - b. Projected enrollment for term of the lease request

Fall 2024 (est)	Fall 2025 (est)
9,384	9,572
  - c. Number of students requiring housing
    - i. 4,329
2. Current on-campus housing stock
  - a. Number of rooms beds
    - i. 3,663 beds
  - b. Historical occupancy
    - i. 100% based on increased need beyond
3. Current off-campus housing stock
  - a. Number of rooms and occupancy rates
    - i. 227 Beds
      1. Jefferson Flats (64) - \$3,675 (not \$3,767)
      2. House of God (163) - Please see attached
  - b. Terms of lease
    1. Jefferson Flats (64) - Through Fall 2027
    2. House of God (163) - Through Fall 2025
  - c. Detail if current request will replace a prior lease.
    - i. No
4. Do you require first-year students to live on campus?
  - i. Encouraged but not required.
5. Will there be additional leases requested in addition to this request?
  - i. No - none are expected
6. Describe plan and schedule for new on-campus housing if applicable.
  - i. Housing Master plan set for completion late fall 2023. Two new 500 room dorms (1000 beds) were submitted for SBC approval July 2022 and are expected to be approved July 2023. This scale of project will require 36-48 months (about 4 years) to design, build, and occupy.
7. Detail how this lease will affect students.
  - a. Will students be charged the same rent as if they were living on campus?
    - i. The rent charged is within \$100 of the average rate of on-campus housing. NOTE: The on-campus rate differs depending on the residence hall.
  - b. Will students have the same amenities and services as those living on campus?
    - i. Yes (better) – Students will have access to the amenities and services of a limited-service hotel plus shuttle services to and from campus.
8. Provide a pro forma statement showing revenue and expenses for the term of the lease.
  - a. Include any ancillary expenses such as food services, shuttle service, security, furnishings, etc.
    - i. Please see attached – TSSBA Housing Reconciliation Sheet
  - b. If revenues do not equal or exceed expenses, detail how any shortfall will be funded.
    - i. Please see attached – TSSBA Housing Reconciliation Sheet

	Residence Hall / Hotel Description	Number of Beds	Cost per student	Student Housing Revenue (Fall)	Student Housing Revenue (Spring)		# of Rooms	Cost per room	Housing Costs (Fall)	Debt Service on Student Housing Projects	Net
<b>TSU Residence Halls:</b>											
	524 Mary Wilson Hall Double	540	2,078	1,122,120.00	1,122,120.00		276	4,156	\$ (308,334.00)	\$ (28,812.33)	798,005.67
	524 Mary Wilson Hall Triple	9	1,448	13,032.00	13,032.00		3	4,344			
	525 Lena B. Watson Hall	314	2,078	652,492.00	652,492.00		161	4,156	\$ (278,935.50)	\$ (28,812.33)	344,744.17
	524 Henry Allen Boyd Hall Double	340	2,078	706,520.00	706,520.00		174	4,156	\$ (202,774.00)	\$ (28,812.33)	487,965.67
	524 Henry Allen Boyd Hall Triple	9	1,448	13,032.00	13,032.00		3	4,344			
	525 Merl R. Eppse Hall Double	272	2,078	565,216.00	565,216.00		140	4,344	\$ (238,692.50)	\$ -	335,211.50
	525 Merl R. Eppse Hall Triple	6	1,448	8,688.00	8,688.00		2	4,344			
	525 Harriet Hodgkins Hale Hall Double	298	2,500	745,000.00	745,000.00		149	4,418	\$ (224,177.50)	\$ -	551,230.50
	525 Harriet Hodgkins Hale Hall Triple	21	1,448	30,408.00	30,408.00		7	4,344			
	Wilma Rudolph Residence Center	390	2,500	975,000.00	975,000.00		195	4,418	\$ (253,077.00)		765,363.00
	Wilma Rudolph Residence Center Triple	30	1,448	43,440.00	43,440.00		10	4,344			
	513 Ford Complex 4 bedroom	432	3,435	1,483,920.00	1,483,920.00		108	13,740	\$ (303,176.00)	\$ (558,512.91)	684,061.09
	513 Ford Complex 2 bedroom	18	3,435	61,830.00	61,830.00		9	6,870			
	517 NRC	284	3,435	975,540.00	975,540.00		71	13,740	\$ (205,173.00)	\$ (339,345.49)	431,021.51
	Jefferson Flats	64	3,675	235,200.00	235,200.00		34	6,471	\$ (220,000.00)		15,200.00
	Other Housing Costs: Res Life, Custodial, Maintenance, Cable								\$ (3,310,844.00)		(3,310,844.00)
	New Residence Halls	700	4562	\$ 3,193,400.00	\$ 3,193,400.00					\$ (4,588,635.00)	1,798,165.00
	Total	3,727		\$ 10,824,838.00	\$ 10,824,838.00				\$ (5,545,183.50)	\$ (5,572,930.39)	2,900,124.11
<b>Hotel Lease</b>											
<b>Fall</b>											
	Best Western	259		880,600.00			159	113.00	2,335,712.00		(1,455,112.00)
	Red Roof Inn	180		594,000.00			110	90.00	1,282,050.00		(688,050.00)
	House of God	163		643,850.00			163	28.00	615,488.00		28,362.00
	Total	602		2,118,450.00			432	231.00	4,233,250.00		(2,114,800.00)
	Shuttle, Security and Food			-					90,000.00		(90,000.00)
										<b>Fall</b>	(2,204,800.00)
<b>Spring</b>											
	Best Western	259		880,600.00			159	113.00	2,335,712.00		(1,455,112.00)
	Red Roof Inn	180		594,000.00			110	90.00	1,282,050.00		(688,050.00)
	House of God	163		643,850.00			163	28.00	615,488.00		28,362.00
	Total	602		2,118,450.00			432	231.00	4,233,250.00		(2,114,800.00)
	Shuttle, Security and Food								90,000.00		(90,000.00)
										<b>Spring</b>	(2,204,800.00)
										<b>Lease Expense Fall &amp; Spring Total</b>	(4,409,600.00)
<b>Year 2 &amp; 3</b>											
	House of God - two years (of three-year contract)	163		643,850.00			163	28.00	615,488.00		
	Four semesters			X 4					X 4		
	Total			2,575,400.00					2,461,952.00		113,448.00

**TENNESSEE STATE UNIVERSITY  
PLANT FUND BALANCE TOTALS BY TYPE AS OF 06/14/2023**

**R & R PLANT FUND BALANCES**

<b>Acct</b>	<b>Acct Title</b>	<b>Fund</b>	<b>Fund Title</b>	<b>Current Balance</b>
490	Unrestricted Net Position	931110	RR Motor Vehicle	(\$32,138.68)
490	Unrestricted Net Position	931210	Print Services	(\$269,184.00)
490	Unrestricted Net Position	931310	Copy Center	(\$181,227.14)
490	Unrestricted Net Position	931410	Alloc Telecommunications	(\$240,000.00)
490	Unrestricted Net Position	931510	RR Computer Equip	(\$770,454.84)
490	Unrestricted Net Position	931530	RR Banner	(\$455,190.10)
490	Unrestricted Net Position	932000	Other E and G Activities	(\$2,387,367.38)
490	Unrestricted Net Position	933500	RR Food Service	(\$6,294,419.45)
490	Unrestricted Net Position	934000	Housing	(\$1,581,294.69)
490	Unrestricted Net Position	936000	RR Telecommunications	(\$362,525.09)
490	Unrestricted Net Position	937500	RR Other Aux Enterprises	(\$1,533,570.05)
<b>R &amp; R PLANT FUND TOTAL</b>				<b>(\$14,107,371.42)</b>

**STATE FUNDED UNEXPENDED PLANT FUND BALANCES**

<b>Acct</b>	<b>Acct Title</b>	<b>Fund</b>	<b>Fund Title</b>	<b>Current Balance</b>
490	Unrestricted Net Position	912040	RSP Bldg	(\$677,150.78)
490	Unrestricted Net Position	912070	Health Science Bldg 166/001-02-2016	(\$2,606,818.39)
3021	Expenditure Control	912070	Health Science Bldg 166/001-02-2016	8,725.20
490	Unrestricted Net Position	912080	Agric Food Sci Rsch 12-2018 311000	(\$23,339.18)
3021	Expenditure Control	912080	Agric Food Sci Rsch 12-2018 311000	13,948.54
490	Unrestricted Net Position	912085	New Student Housing 05-2017 300000	(\$278,648.97)
3021	Expenditure Control	912085	New Student Housing 05-2017 300000	\$1,382,583.86
<b>STATE FUNDED UNEXPENDED PLANT FUND TOTAL</b>				<b>(\$2,180,699.72)</b>

**LOCAL UNEXPENDED PLANT FUND BALANCES**

<b>Acct</b>	<b>Acct Title</b>	<b>Fund</b>	<b>Fund Title</b>	<b>Current Balance</b>
490	Unrestricted Net Position	913010	Campus Improvement	(\$6,566,801.19)
490	Unrestricted Net Position	913020	Aux Campus Improvmnt	(\$26,623,004.76)
490	Unrestricted Net Position	913052	Wilson Hall Renovation	(\$183,635.53)
490	Unrestricted Net Position	913055	Hankal Hall Renovation	(\$6,246.90)
490	Unrestricted Net Position	913058	Hale Elevator Replacement	(\$249,659.00)
490	Unrestricted Net Position	913061	Hankal Hall Renovation-Phase II Aux	(\$47,292.84)
490	Unrestricted Net Position	913062	Consultant-Statewide 000-03-2017	(\$75,908.92)



490	Unrestricted Net Position	913065	Balcony Repair(SH17) 01-2017 296000	(\$21,350.03)
3021	Expenditure Control	913065	Balcony Repair(SH17) 01-2017 296000	2,842.13
490	Unrestricted Net Position	913066	Rudolph Roof (SH17) 03-2017 298000	247.19
490	Unrestricted Net Position	913068	Elevator Upgrad(SH18)01-2018 301000	(\$81,250.53)
3021	Expenditure Control	913068	Elevator Upgrad(SH18)01-2018 301000	2,600.45
490	Unrestricted Net Position	913069	RC Sys Upgrade(SH19) 02-2018 302000	(\$5,228.61)
490	Unrestricted Net Position	913078	Clay&Love Roof Repl 08-2019 319000	15,784.72
490	Unrestricted Net Position	913079	Emer Elec Infrastruc 09-2019 320000	(\$557.58)
490	Unrestricted Net Position	913110	Roof Repairs	(\$14,654.99)
490	Unrestricted Net Position	913200	Football Indoor Practice Facility	(\$1,369,030.11)
3011	Revenue Control	913255	T3-U Construction Infrastruct 17-22	(\$720,778.90)
3021	Expenditure Control	913255	T3-U Construction Infrastruct 17-22	\$720,778.90
3041	Encumbrance Control	913255	T3-U Construction Infrastruct 17-22	\$3,247,628.87
490	Unrestricted Net Position	914010	Extraordinary Maintenance	(\$210,898.00)
490	Unrestricted Net Position	914015	Facilities Master Plan	(\$147,740.70)
490	Unrestricted Net Position	914156	1890 Facilities Program 1998	(\$1,963.61)
490	Unrestricted Net Position	914200	Athletics Non TSSBA Projects	(\$56,802.53)
3021	Expenditure Control	914200	Athletics Non TSSBA Projects	221,664.66
3041	Encumbrance Control	914200	Athletics Non TSSBA Projects	9,585.40
490	Unrestricted Net Position	914227	Maint Repairs (E&G) Misc Ins Losses	695,076.35
3021	Expenditure Control	914227	Maint Repairs (E&G) Misc Ins Losses	(\$372,533.06)
490	Unrestricted Net Position	914230	Campus Fencing	(\$48,355.14)
490	Unrestricted Net Position	914236	Power Plant Chiller Repair	(\$18,302.30)
490	Unrestricted Net Position	914238	Campus Lighting Project	(\$200,000.00)
490	Unrestricted Net Position	914243	Campus Center HVAC Repairs	(\$45,370.64)
490	Unrestricted Net Position	914244	Gentry Locker Room Shower Upgrade	(\$41,758.80)
490	Unrestricted Net Position	914246	Gentry Pool Automation & Gas Boiler	(\$130,000.00)
490	Unrestricted Net Position	914255	Wilson Hall Mold Remediation-Insur	(\$155,000.00)
490	Unrestricted Net Position	914256	Gentry Ctr Roof Repair (Loss/Ins)	(\$298,794.50)
490	Unrestricted Net Position	914263	Safety & Security - Appropriation	5,900.00
490	Unrestricted Net Position	914265	Gateway Entrance 001-02-2017-297000	(\$328,142.22)
3021	Expenditure Control	914265	Gateway Entrance 001-02-2017-297000	2,879.02
490	Unrestricted Net Position	914266	Ag Facilities Improve 04-2017	(\$29,356.44)
490	Unrestricted Net Position	914270	LRC Roof Repairs	(\$34,058.57)
490	Unrestricted Net Position	914272	E&G Facilities Management Projects	1,140.00
3021	Expenditure Control	914272	E&G Facilities Management Projects	1,056,236.00
3041	Encumbrance Control	914272	E&G Facilities Management Projects	411,988.45
490	Unrestricted Net Position	914273	Aux Facilities Management Projects	(\$21,728.89)
3021	Expenditure Control	914273	Aux Facilities Management Projects	\$67,862.30
490	Unrestricted Net Position	914276	Tornado Damages-Uninsured Losses	(\$114,606.00)
3041	Encumbrance Control	914276	Tornado Damages-Uninsured Losses	9,000.00
490	Unrestricted Net Position	914279	Tornado Damages-Insured Losses	528,173.49
3021	Expenditure Control	914279	Tornado Damages-Insured Losses	54,386.88
3041	Encumbrance Control	914279	Tornado Damages-Insured Losses	237,167.44
3021	Expenditure Control	914280	Goodwill Manor Elevator Repair	78,461.25

490	Unrestricted Net Position	914281	Agr Tornado Damage-Content Recovery	(\$408,088.79)
3021	Expenditure Control	914281	Agr Tornado Damage-Content Recovery	210,953.42
3041	Encumbrance Control	914281	Agr Tornado Damage-Content Recovery	189,861.89
490	Unrestricted Net Position	914287	Tornado Repair&Repl 01-2020 322000	\$2,261,513.52
3021	Expenditure Control	914287	Tornado Repair&Repl 01-2020 322000	(\$536,441.60)
490	Unrestricted Net Position	914288	Tornado Farm Equipment Replacement	(\$210,742.26)
3021	Expenditure Control	914288	Tornado Farm Equipment Replacement	38,513.80
490	Unrestricted Net Position	914289	Tornado Temporary Farm Facilities	(\$219,209.15)
3021	Expenditure Control	914289	Tornado Temporary Farm Facilities	44,688.20
3041	Encumbrance Control	914289	Tornado Temporary Farm Facilities	44,125.29
490	Unrestricted Net Position	914292	Tornado Construction Project	(\$752,768.40)
490	Unrestricted Net Position	914300	CAMPUS SUMMER 2022 REPAIRS	23,336.67
3021	Expenditure Control	914300	CAMPUS SUMMER 2022 REPAIRS	467,442.04
3041	Encumbrance Control	914300	CAMPUS SUMMER 2022 REPAIRS	54,303.03
490	Unrestricted Net Position	914301	HOUSING SUMMER 2022 REPAIRS	103,015.46
3021	Expenditure Control	914301	HOUSING SUMMER 2022 REPAIRS	1,345,342.97
3041	Encumbrance Control	914301	HOUSING SUMMER 2022 REPAIRS	9,999.99
			<b>LOCAL UNEXPENDED PLANT FUND TOTAL</b>	<b>(\$28,185,561.71)</b>
			<b>GRAND TOTAL</b>	<b>(\$44,473,632.85)</b>

**NOTE: IMPACT OF BOND PAYMENTS HAVE NOT BEEN ANALYZED OR VERIFIED**

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

**Recitals**

Whereas, Tennessee State University (“TSU”) has experienced an unprecedented demand for student housing; and

Whereas, TSU is proposing to partially meet its current housing needs by entering into a lease agreement (the “Lease”) with Sri Ganesh, L.L.C. d/b/a Red Roof Inn Nashville – Music City (“Red Roof Inn”), located at 2407 Brick Church Pike, Nashville, TN 37207; and

Whereas, pursuant to the Lease, TSU will have access to one hundred ten (110) rooms (the “Rooms”) that will provide a total of one hundred eighty (180) beds (seventy [70] double bedrooms and forty [40] single bedrooms) and, in addition, give access to all Red Roof Inn public spaces and amenities including parking and laundry facilities; and

Whereas, Red Roof Inn will also provide room cleaning services bi-weekly; and

Whereas, TSU will provide shuttle service to/from campus for the convenience of its students, TSU police and security will monitor Red Roof Inn and provide any necessary security, and TSU will provide residence services for its students residing at Red Roof Inn; and

Whereas, the Lease benefits both TSU and its students through:

- Increased enrollment and retention by providing available housing for TSU students. If housing is not available, some students may choose other institutions that may offer them housing.
- Allowing students to utilize financial aid to cover the cost of their on-campus housing.
- Providing affordable housing options in Nashville for TSU students (in the current Nashville housing market).
- Minimizing COVID-19 housing related issues related to housing population density; and

Whereas, the Lease term runs from August 19, 2023, through May 5, 2024, the rate per room is ninety dollars and no cents (\$90.00) per night including furniture, bedding, bath towels, microwaves, mini-fridges, televisions with cable, high-speed Internet, and there are no additional fees for access to common areas or Red Roof Inn services; and

Whereas, the total contracted rate under the Lease for the Rooms is two million five hundred sixty-four thousand one hundred dollars and no cents (\$2,564,100.00); and

Whereas, TSU may terminate the Lease with 30 days' notice to Red Roof Inn or immediately in the event TSU discontinues all residential student operations due to COVID-19; and

Whereas, the Lease payments will be funded by TSU through 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 for TSU 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 June 27, 2023.

Adopted by the Authority at its meeting on June 27, 2023.

---

JASON E. MUMPOWER, SECRETARY  
TENNESSEE STATE SCHOOL BOND AUTHORITY

TENNESSEE STATE UNIVERSITY

**Acquisition – Lease (Space)**

**Requested Action:** Approval of a lease

**Transaction Description:** Transaction No. [ 332.77-23.4286 ]

● **Proposed Lease**

- **Location:** Tennessee State University - Nashville  
Davidson County – 3500 John A. Merritt Blvd, Nashville, TN
- **Landlord:** Shri Ganesh, L.L.C. d/b/a Red Roof Inn Nashville – Music City, 2407 Brick Church Pike, Nashville, TN 37207
- **Term:** August 19, 2023 to May 5, 2024
- **Area / Costs:** Up to 110 hotel rooms

	\$/room	Estimated Total
Cost per room	\$90.00/night	\$2,564,100.00

- **Source of Funding:** Auxiliary Funds (Housing)
- **Procurement Method:** Negotiated

**Comment:**

These rooms are needed to provide housing for undergraduate students for the Fall 2023-Spring 2024 semesters. TSU is expecting approximately 4,329 residential students for the Fall semester and currently has 3,663 available beds. The additional 180 beds available at Red Roof Inn (70 rooms-double; 40 rooms single) will help TSU close the housing gap. If necessary, some of these rooms will be used to meet social distancing and quarantine requirements.

TSU Students will have access to the hotel public spaces and amenities, including parking and laundry facilities. Red Roof Inn will also provide furniture, bedding, bath towels, microwaves, mini-fridges, televisions with cable, high-speed Internet as well as bi-weekly housekeeping.

The cost to our students for the semester is as follows:

Single occupancy rooms = \$3,400 per semester

Double occupancy rooms = \$3,300 per semester

This hotel was selected because of the location and the availability of rooms for this use. Advertising is not required since the term of this lease is for one year or less and an unforeseen situation has arisen making it impractical to advertise.

The lease terms allow for early termination in the event TSU discontinues all residential operations due to termination for convenience with thirty days' notice.

June 22, 2023

## Executive Summary

Tennessee State University requests approval of waiver of advertisement and approval of a short-term lease with the Red Roof Inn, located at 2407 Brick Church Pike, Nashville, TN 37207, to house TSU students for the fall 2023 and spring 2024 semesters.

Under the lease agreement, TSU will have access to 110 guest rooms (70 double bedrooms, and 40 single bedrooms), common spaces, and amenities including parking and laundry facilities.

## **Request**

Due to unprecedented demand for student housing, Tennessee State University is asking for approval of a lease agreement with Red Roof Inn. TSU will have exclusive use of the hotel with no public/other guest occupancy during the school term.

This short-term lease agreement will allow TSU to meet the current housing needs driven by the increased demand for student housing.

Red Roof Inn will make available for TSU's use 110 rooms that will provide a total of 180 beds (70 double bedrooms, and 40 single bedrooms). Red Roof Inn will provide room cleaning services bi-weekly.

A shuttle service to/from campus is provided for the convenience of TSU students. TSU police and security will monitor the hotel and provide any necessary security. TSU will also provide resident services for our students residing in the Red Roof Inn.

## **Benefit to TSU**

TSU is committed to serving our student population, and this includes housing services to accommodate our students' housing needs. The benefits to TSU are as follows:

- Increase enrollment and retention by having available housing for our students. If housing is not available, some students may choose other institutions who may offer them housing.
- Allow students to utilize financial aid to cover the cost of their on-campus housing.
- Provide affordable housing options in Nashville for TSU students, given the current high-cost Nashville housing market.



OFFICE OF  
THE PRESIDENT

**TENNESSEE STATE UNIVERSITY**  
3500 JOHN A. MERRITT BOULEVARD  
NASHVILLE, TENNESSEE 37209-1561

June 20, 2023

State Building Commission of Tennessee  
Governor Bill Lee  
Lieutenant Governor Randy McNally  
Speaker of the House Cameron Sexton  
Secretary of State Tre Hargett  
Comptroller of the Treasury Jason Mumpower  
State Treasurer David Lillard  
Commissioner Jim Bryson

Re: Justification for Waiver of Advertising and Approval of Short-Term Lease

In submitting this letter, Tennessee State University seeks the approval of the State Building Commission of Tennessee to execute short-term leases for student overflow housing during the fall 2023 and spring 2024 semesters at the following hotel locations:

Best Western Plus/Residency	2401 Brick Church Pike, 37207
Executive Best Western Plus Sunrise Inn	3200 Dickerson Pike, 37207

Tennessee State University (TSU) opened its new 700-bed residence hall at the beginning of the fall 2023 fiscal to provide additional beds for our students. As a result, TSU is expecting exactly 4,329 residential students in the fall 2023 semester, but currently has only 3,663 available beds on its campus and 227 available beds adjacent to campus (Jefferson Flats (64) + House of God (163) leases). Expanding TSU's housing to off-campus overflow sites is in the best interest of the State. The two hotels requested above will provide an additional 439 beds that will align with our needs for the fall 2023 and spring 2024 academic year. This request will support student retention, allow students to utilize financial aid to cover housing expenses, and provide affordable housing in Nashville's high-cost housing market. TSU joins MTSU and other Tennessee higher education institutions impacted by housing related issues connected to population density.

This request for additional housing was presented to the numerous stakeholders, state official and legislators during the various fall legislative hearings. TSU has taken measures to reduce the number of accepted students in the Fall 2023 to better align with the housing demand. Housing applications were closed mid April this year. TSU is requesting a waiver of advertisement to proceed with two short-term leases. If approved, students will begin to occupy the space in mid-August.

*"Think • Work • Serve"*  
AN EQUAL OPPORTUNITY/ AFFIRMATIVE  
ACTION EMPLOYER M/F

State Building Commission of Tennessee State University  
June 20, 2023  
Page 2

TSU is currently examining long-term student housing needs and available options for additional space after the expiration of the lease agreement with the hotels listed above. Currently, TSU does not view the leasing of hotel properties as a long-term solution for housing shortages and is evaluating potential, suitable, and cost-effective alternatives.

Due to the unforeseen demand for student housing, the impracticality of advertising for short term housing providers, and the benefits of providing housing to TSU students, I respectfully request your approval of this short-term lease agreement.

Sincerely,



Glenda Glover President



Fabien Jolivet, AD of Planning and Design



**AGREEMENT  
BETWEEN  
TENNESSEE STATE UNIVERSITY  
AND  
SHRI GANESHA L.L.C.**

This Agreement is made as of \_\_\_\_\_, by and between **Tennessee State University**, acting for the benefit of the Tennessee State University Board of Trustees, located at 3500 John A. Merritt Boulevard, Nashville, Tennessee 37209-1561, hereinafter referred to as the "Institution," and **Shri Ganesha L.L.C. d/b/a Red Roof Inn Nashville – Music City** having its principle office located at **2407 Brick Church Pike, Nashville, TN 37207** hereinafter referred to as "Red Roof Inn."

**WITNESSETH**

In consideration of the mutual promises herein contained, the parties have agreed and do hereby enter into this Agreement according to the provisions set out herein:

A. Red Roof Inn agrees to perform the following services:

1. Red Roof Inn will lease 110 hotel rooms, including 70 double rooms and 40 single rooms located at 2407 Brick Church Pike, Nashville, TN 37207 (the "Leased Rooms") to the Institution for off-campus housing from **August 19, 2023 through May 5, 2024** (Term"). Each Leased Room will be furnished with bed(s), bedding, bath towels, microwave, mini-fridge, television with cable, high-speed internet sufficient to support student academic activities, biweekly housekeeping, air conditioning, and all utilities including electricity and water. Students housed in the Leased Rooms will have access to Red Roof Inn common spaces and parking. Students will pay their own charges for incidentals, if applicable.
2. Red Roof Inn shall provide breakfast from 6:30 a.m. to 9 a.m. each day during the Term. For five (5) days each week (Tuesday, Thursday, Friday, Saturday, and Sunday) the breakfast shall be comparable to the breakfast typically served to Red Roof Inn's guests including self-serve hot and cold items. For the other two (2) days each week (Monday and Wednesday) the breakfast shall not include hot items.
3. Red Roof Inn shall provide staff on-site as is necessary to effectuate, carry out, and perform all the terms, provisions, and conditions of this Agreement. Red Roof Inn staff shall coordinate with TSU onsite security when accessing the Leased Rooms.
4. Red Roof Inn shall maintain throughout the Term a policy of commercial general liability insurance against claims of bodily injury, death, and property damage in the amount appropriate for its business activities. Red Roof Inn shall provide the Institution with a certificate evidencing such coverage upon request.
5. TSU shall have exclusive access to the Red Roof Inn premises throughout the Term. Red Roof Inn shall not lease, license, or otherwise provide access to any portion of the Red Roof Inn premises to any third party at any time during the Term.

B. The Institution agrees to compensate Red Roof Inn as follows:

1. Rate of Compensation: Ninety Dollars and No Cents (**\$90.00**) per room per night, total compensation not to exceed Two Million, Five Hundred Sixty-Four Thousand, One Hundred Dollars and No Cents (**\$2,564,100.00**).
2. Timetable for Payment: Monthly, in arrears.
3. Payments to Red Roof Inn shall be made upon submittal of an invoice by Red Roof Inn, and after performance of the portion of the services which the invoiced amount represents. The final payment shall be made only after Red Roof Inn has completely performed its duties under this Agreement.

If Red Roof Inn is a non-resident alien, payment of any portion of the contract from any source will not be made by the Institution until an individual Taxpayer Identification Number or Social Security Number has been assigned to Red Roof Inn by the Internal Revenue Service and Immigration Naturalization Service and presented to the Institution.

C. Institution Access

1. Institution is permitted to provide security personnel and equipment on Red Roof Inn premises and, upon request, shall have access to any security video recorded by Red Roof Inn during the Term.
2. Institution administrative personnel may have access to Red Roof Inn premises as needed.
3. Red Roof Inn shall provide Institution with access to any Leased Room immediately upon request.
4. Institution shall be permitted to operate shuttle services on Red Roof Inn premises for Institution student and employee use.

D. Termination.

1. Institution shall have the right to terminate the Agreement for convenience with thirty (30) days prior written notice to Red Roof Inn at its principal address. Written notice shall also include notice by email and the effective date of such notice shall be the date of receipt, provided such receipt has been confirmed by the recipient.
2. Institution shall have the right to terminate the Agreement in the event Institution discontinues all residential student operations due to concerns related to medical outbreak/pandemic.
3. In the event of termination, Red Roof Inn shall be entitled to receive payment for fees incurred up to the date of termination. Upon such termination, Red Roof Inn shall have no right to any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

E. The parties further agree that the following shall be essential terms and conditions of this Agreement.

1. Rules and Procedures. If any Institution student should violate any Red Roof Inn rules or procedures or any applicable law, regulation, ordinance, or statute with respect to any of

the Leased Rooms, Red Roof Inn shall cooperate in Institution's student discipline procedures.

Red Roof Inn Employees. Red Roof Inn will not knowingly assign any individual to provide services to Institution if the individual has a history of criminal conduct. For purposes of this Agreement, "criminal conduct" means charges filed by any government agency, excluding non-moving violations and speeding violations or any other non-felonious charge. Furthermore, Red Roof Inn must inform the Institution immediately if Property Owner has actual knowledge that any of Property Owner's employees or sub-contractors are listed in the Tennessee Abuse Registry or the Tennessee Sex Offender Registry. If Institution requests, Red Roof Inn must perform a comprehensive criminal background check on any Red Roof Inn employee or sub-contractor.

2. Non-Employment by State. Red Roof Inn warrants that no part of the total contract amount provided herein shall be paid, directly or indirectly, to any officer or employee of the State of Tennessee as wages, compensation, or gifts in exchange for acting as officer, agent, employee, sub-contractor, or consultant to Red Roof Inn in connection with any work contemplated or performed relative to this Agreement.
3. Non-Discrimination. The parties agree to comply with Title VI and VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, Executive Order 11,246, the Americans with Disabilities of 1990 and the related regulations of each. Each party assures that it will not discriminate against any individual including, but not limited to, employees or applicants for employment and/or students, because of race, religion, creed, color, sex, age, disability, veteran status or national origin.

Red Roof Inn also agrees to take affirmative action to ensure that applicants are considered for employment, and employees are treated during their employment, without regard to their race, religion, creed, color, sex, age, disability, veteran status or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection available to employees and applicants for employment.

The Institution is committed to providing accessible information, materials and technologies to assure that individuals with disabilities have access to Institution resources comparable to access that is available to others.

4. Prohibition on Hiring Illegal Immigrants. T.C.A. § 12-3-309 prohibits State entities from contracting to acquire goods or services from any person who knowingly utilizes the service of illegal immigrants in the performance of the contract and by signing this Contract, the Contactor attests, certifies, warrants, and assures that Red Roof Inn shall not knowingly utilize the services of illegal immigrants in the performance of the Contract and will not knowingly utilize the services of any subcontractor, if permitted under the Contract, who will utilize the services of illegal immigrants in the performance of the Contract.
5. Iran Divestment Act. In accordance with the Iran Divestment Act, Tennessee Code Annotated § 12-12-101 et seq., Red Roof Inn certifies that to the best of its knowledge and belief, neither Red Roof Inn nor any of its subcontractors are on the list created pursuant to Tennessee Code Annotated § 12-12-106. Misrepresentation may result in

civil and criminal sanctions, including contract termination, debarment, or suspension from being a contractor or subcontractor under the Institution's contracts.

6. Modification. This Agreement may be modified only by written amendment executed by all parties hereto.
7. Liability. Each party shall be solely liable for payment of its portion of all claims, liability, costs, expenses, demands, settlements, or judgments resulting from negligence, actions or omissions of itself or those for whom it is legally responsible relating to or arising under this Agreement. Any and all monetary claims against the State of Tennessee, its officers, agents, governing board, and employees in performing any responsibility specifically required under the terms of this Agreement shall be submitted to the Board of Claims or the Claims Commission of the State of Tennessee and shall be limited to those provided for in T.C.A. § 9-8-307.
8. Responsibility. Institution is only responsible for the acts of its employees. Red Roof Inn acknowledges that Institution is not liable for the acts of its students or their invitees. Institution can agree to acknowledge that Red Roof Inn has a right to remove guests, but Institution is legally not and legally cannot be, liable for the acts of its students.
9. Receipts. Red Roof Inn shall maintain documentation for all charges against the Institution under this Agreement. The books, records, and documents of Red Roof Inn insofar as they relate to work performed or money received under this Agreement, shall be maintained in conformity with generally accepted accounting principles for a period of five (5) full years from the date of the final payment, and shall be subject to audit, at any reasonable time and upon reasonable notice, by the Institution or the State Comptroller of the Treasury or their duly authorized representatives.
10. Tennessee Department of Revenue. In compliance with the requirements of T.C.A. § 12-3-306, Red Roof Inn hereby attests that it has registered with the State of Tennessee's Department of Revenue for the collection of Tennessee sales and use tax.
11. Non-Assignment. Red Roof Inn shall not assign this Agreement or enter into sub-contracts for any of the work described herein without obtaining the prior written approval of the Institution, as appropriate.
12. Governing Law. This Agreement shall be governed by and construed pursuant to the laws of the State of Tennessee.
13. Forms. Red Roof Inn agrees that no services shall commence until this Agreement is fully executed by both parties and that a Minority Ethnicity and W-9 forms are completed and returned with this Agreement.
14. Notices.
  - a. **William Fain** is the Institution Contract Monitor for this Agreement and can be reached at **tel: 615-963-5643, fax: 615-963-5051** or email: [wfain@tnstate.edu](mailto:wfain@tnstate.edu).
  - b. **Bhavik Patel** is the Red Roof Inn contact for this Agreement and can be reached at **tel: 770-548-7168**, or email: **gm.tn464@choicehotels.com**.

15. Independent Contractor. Nothing in this Agreement shall be deemed or construed to create a joint venture or partnership between the parties for any purpose. Neither party has any authority to obligate the other to third parties. All debts and liabilities incurred by each party shall be and remain the debts and liabilities of such party, subject to such reimbursement as may be provided for herein.
  
16. Compliance with Laws. Red Roof Inn shall comply with all applicable federal, state and local laws and regulations in the performance of the contract.

**IN WITNESS WHEREOF**, the parties have by their duly authorized representatives set forth their signatures:

**SHRI GANESHA L.L.C.**

By: \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
 Name: \_\_\_\_\_

**TENNESSEE STATE UNIVERSITY**

By: \_\_\_\_\_ President \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
 Dr. Glenda Glover

**STATE OF TENNESSEE:**

Approved as to form and legality:

\_\_\_\_\_  
 Jonathan Skrmetti, Attorney General and Reporter

## Potential Documentation for Housing Leases

1. Enrollment data
  - a. Minimum prior two years -

Fall 2021	Fall 2022	Spring 2022	Fall 2023	Spring 2023
8,077	9,218	6,501	9,200	7,282
  - b. Projected enrollment for term of the lease request

Fall 2024 (est)	Fall 2025 (est)
9,384	9,572
  - c. Number of students requiring housing
    - i. 4,329
2. Current on-campus housing stock
  - a. Number of rooms beds
    - i. 3,663 beds
  - b. Historical occupancy
    - i. 100% based on increased need beyond
3. Current off-campus housing stock
  - a. Number of rooms and occupancy rates
    - i. 227 Beds
      1. Jefferson Flats (64) - \$3,675 (not \$3,767)
      2. House of God (163) - Please see attached
  - b. Terms of lease
    1. Jefferson Flats (64) - Through Fall 2027
    2. House of God (163) - Through Fall 2025
  - c. Detail if current request will replace a prior lease.
    - i. No
4. Do you require first-year students to live on campus?
  - i. Encouraged but not required.
5. Will there be additional leases requested in addition to this request?
  - i. No - none are expected
6. Describe plan and schedule for new on-campus housing if applicable.
  - i. Housing Master plan set for completion late fall 2023. Two new 500 room dorms (1000 beds) were submitted for SBC approval July 2022 and are expected to be approved July 2023. This scale of project will require 36-48 months (about 4 years) to design, build, and occupy.
7. Detail how this lease will affect students.
  - a. Will students be charged the same rent as if they were living on campus?
    - i. The rent charged is within \$100 of the average rate of on-campus housing. NOTE: The on-campus rate differs depending on the residence hall.
  - b. Will students have the same amenities and services as those living on campus?
    - i. Yes (better) – Students will have access to the amenities and services of a limited-service hotel plus shuttle services to and from campus.
8. Provide a pro forma statement showing revenue and expenses for the term of the lease.
  - a. Include any ancillary expenses such as food services, shuttle service, security, furnishings, etc.
    - i. Please see attached – TSSBA Housing Reconciliation Sheet
  - b. If revenues do not equal or exceed expenses, detail how any shortfall will be funded.
    - i. Please see attached – TSSBA Housing Reconciliation Sheet

	Residence Hall / Hotel Description	Number of Beds	Cost per student	Student Housing Revenue (Fall)	Student Housing Revenue (Spring)		# of Rooms	Cost per room	Housing Costs (Fall)	Debt Service on Student Housing Projects	Net
<b>TSU Residence Halls:</b>											
524	Mary Wilson Hall Double	540	2,078	1,122,120.00	1,122,120.00		276	4,156	\$ (308,334.00)	\$ (28,812.33)	798,005.67
524	Mary Wilson Hall Triple	9	1,448	13,032.00	13,032.00		3	4,344			
525	Lena B. Watson Hall	314	2,078	652,492.00	652,492.00		161	4,156	\$ (278,935.50)	\$ (28,812.33)	344,744.17
524	Henry Allen Boyd Hall Double	340	2,078	706,520.00	706,520.00		174	4,156	\$ (202,774.00)	\$ (28,812.33)	487,965.67
524	Henry Allen Boyd Hall Triple	9	1,448	13,032.00	13,032.00		3	4,344			
525	Merl R. Eppse Hall Double	272	2,078	565,216.00	565,216.00		140	4,344	\$ (238,692.50)	\$ -	335,211.50
525	Merl R. Eppse Hall Triple	6	1,448	8,688.00	8,688.00		2	4,344			
525	Harriet Hodgkins Hale Hall Double	298	2,500	745,000.00	745,000.00		149	4,418	\$ (224,177.50)	\$ -	551,230.50
525	Harriet Hodgkins Hale Hall Triple	21	1,448	30,408.00	30,408.00		7	4,344			
	Wilma Rudolph Residence Center	390	2,500	975,000.00	975,000.00		195	4,418	\$ (253,077.00)		765,363.00
	Wilma Rudolph Residence Center Triple	30	1,448	43,440.00	43,440.00		10	4,344			
513	Ford Complex 4 bedroom	432	3,435	1,483,920.00	1,483,920.00		108	13,740	\$ (303,176.00)	\$ (558,512.91)	684,061.09
513	Ford Complex 2 bedroom	18	3,435	61,830.00	61,830.00		9	6,870			
517	NRC	284	3,435	975,540.00	975,540.00		71	13,740	\$ (205,173.00)	\$ (339,345.49)	431,021.51
	Jefferson Flats	64	3,675	235,200.00	235,200.00		34	6,471	\$ (220,000.00)		15,200.00
	Other Housing Costs: Res Life, Custodial, Maintenance, Cable								\$ (3,310,844.00)		(3,310,844.00)
	New Residence Halls	700	4562	\$ 3,193,400.00	\$ 3,193,400.00					\$ (4,588,635.00)	1,798,165.00
	<b>Total</b>	<b>3,727</b>		<b>\$ 10,824,838.00</b>	<b>\$ 10,824,838.00</b>				<b>\$ (5,545,183.50)</b>	<b>\$ (5,572,930.39)</b>	<b>2,900,124.11</b>
<b>Hotel Lease</b>											
<b>Fall</b>											
	Best Western	259		880,600.00			159	113.00	2,335,712.00		(1,455,112.00)
	Red Roof Inn	180		594,000.00			110	90.00	1,282,050.00		(688,050.00)
	House of God	163		643,850.00			163	28.00	615,488.00		28,362.00
	<b>Total</b>	<b>602</b>		<b>2,118,450.00</b>			<b>432</b>	<b>231.00</b>	<b>4,233,250.00</b>		<b>(2,114,800.00)</b>
	Shuttle, Security and Food			-					90,000.00		(90,000.00)
										<b>Fall</b>	<b>(2,204,800.00)</b>
<b>Spring</b>											
	Best Western	259		880,600.00			159	113.00	2,335,712.00		(1,455,112.00)
	Red Roof Inn	180		594,000.00			110	90.00	1,282,050.00		(688,050.00)
	House of God	163		643,850.00			163	28.00	615,488.00		28,362.00
	<b>Total</b>	<b>602</b>		<b>2,118,450.00</b>			<b>432</b>	<b>231.00</b>	<b>4,233,250.00</b>		<b>(2,114,800.00)</b>
	Shuttle, Security and Food								90,000.00		(90,000.00)
										<b>Spring</b>	<b>(2,204,800.00)</b>
										<b>Lease Expense Fall &amp; Spring Total</b>	<b>(4,409,600.00)</b>
<b>Year 2 &amp; 3</b>											
	House of God - two years (of three-year contract)	163		643,850.00			163	28.00	615,488.00		
	Four semesters			X 4					X 4		
	<b>Total</b>			<b>2,575,400.00</b>					<b>2,461,952.00</b>		<b>113,448.00</b>

**TENNESSEE STATE UNIVERSITY  
PLANT FUND BALANCE TOTALS BY TYPE AS OF 06/14/2023**

**R & R PLANT FUND BALANCES**

<b>Acct</b>	<b>Acct Title</b>	<b>Fund</b>	<b>Fund Title</b>	<b>Current Balance</b>
490	Unrestricted Net Position	931110	RR Motor Vehicle	(\$32,138.68)
490	Unrestricted Net Position	931210	Print Services	(\$269,184.00)
490	Unrestricted Net Position	931310	Copy Center	(\$181,227.14)
490	Unrestricted Net Position	931410	Alloc Telecommunications	(\$240,000.00)
490	Unrestricted Net Position	931510	RR Computer Equip	(\$770,454.84)
490	Unrestricted Net Position	931530	RR Banner	(\$455,190.10)
490	Unrestricted Net Position	932000	Other E and G Activities	(\$2,387,367.38)
490	Unrestricted Net Position	933500	RR Food Service	(\$6,294,419.45)
490	Unrestricted Net Position	934000	Housing	(\$1,581,294.69)
490	Unrestricted Net Position	936000	RR Telecommunications	(\$362,525.09)
490	Unrestricted Net Position	937500	RR Other Aux Enterprises	(\$1,533,570.05)
<b>R &amp; R PLANT FUND TOTAL</b>				<b>(\$14,107,371.42)</b>

**STATE FUNDED UNEXPENDED PLANT FUND BALANCES**

<b>Acct</b>	<b>Acct Title</b>	<b>Fund</b>	<b>Fund Title</b>	<b>Current Balance</b>
490	Unrestricted Net Position	912040	RSP Bldg	(\$677,150.78)
490	Unrestricted Net Position	912070	Health Science Bldg 166/001-02-2016	(\$2,606,818.39)
3021	Expenditure Control	912070	Health Science Bldg 166/001-02-2016	8,725.20
490	Unrestricted Net Position	912080	Agric Food Sci Rsch 12-2018 311000	(\$23,339.18)
3021	Expenditure Control	912080	Agric Food Sci Rsch 12-2018 311000	13,948.54
490	Unrestricted Net Position	912085	New Student Housing 05-2017 300000	(\$278,648.97)
3021	Expenditure Control	912085	New Student Housing 05-2017 300000	\$1,382,583.86
<b>STATE FUNDED UNEXPENDED PLANT FUND TOTAL</b>				<b>(\$2,180,699.72)</b>

**LOCAL UNEXPENDED PLANT FUND BALANCES**

<b>Acct</b>	<b>Acct Title</b>	<b>Fund</b>	<b>Fund Title</b>	<b>Current Balance</b>
490	Unrestricted Net Position	913010	Campus Improvement	(\$6,566,801.19)
490	Unrestricted Net Position	913020	Aux Campus Improvmnt	(\$26,623,004.76)
490	Unrestricted Net Position	913052	Wilson Hall Renovation	(\$183,635.53)
490	Unrestricted Net Position	913055	Hankal Hall Renovation	(\$6,246.90)
490	Unrestricted Net Position	913058	Hale Elevator Replacement	(\$249,659.00)
490	Unrestricted Net Position	913061	Hankal Hall Renovation-Phase II Aux	(\$47,292.84)
490	Unrestricted Net Position	913062	Consultant-Statewide 000-03-2017	(\$75,908.92)



490	Unrestricted Net Position	913065	Balcony Repair(SH17) 01-2017 296000	(\$21,350.03)
3021	Expenditure Control	913065	Balcony Repair(SH17) 01-2017 296000	2,842.13
490	Unrestricted Net Position	913066	Rudolph Roof (SH17) 03-2017 298000	247.19
490	Unrestricted Net Position	913068	Elevator Upgrad(SH18)01-2018 301000	(\$81,250.53)
3021	Expenditure Control	913068	Elevator Upgrad(SH18)01-2018 301000	2,600.45
490	Unrestricted Net Position	913069	RC Sys Upgrade(SH19) 02-2018 302000	(\$5,228.61)
490	Unrestricted Net Position	913078	Clay&Love Roof Repl 08-2019 319000	15,784.72
490	Unrestricted Net Position	913079	Emer Elec Infrastruc 09-2019 320000	(\$557.58)
490	Unrestricted Net Position	913110	Roof Repairs	(\$14,654.99)
490	Unrestricted Net Position	913200	Football Indoor Practice Facility	(\$1,369,030.11)
3011	Revenue Control	913255	T3-U Construction Infrastruct 17-22	(\$720,778.90)
3021	Expenditure Control	913255	T3-U Construction Infrastruct 17-22	\$720,778.90
3041	Encumbrance Control	913255	T3-U Construction Infrastruct 17-22	\$3,247,628.87
490	Unrestricted Net Position	914010	Extraordinary Maintenance	(\$210,898.00)
490	Unrestricted Net Position	914015	Facilities Master Plan	(\$147,740.70)
490	Unrestricted Net Position	914156	1890 Facilities Program 1998	(\$1,963.61)
490	Unrestricted Net Position	914200	Athletics Non TSSBA Projects	(\$56,802.53)
3021	Expenditure Control	914200	Athletics Non TSSBA Projects	221,664.66
3041	Encumbrance Control	914200	Athletics Non TSSBA Projects	9,585.40
490	Unrestricted Net Position	914227	Maint Repairs (E&G) Misc Ins Losses	695,076.35
3021	Expenditure Control	914227	Maint Repairs (E&G) Misc Ins Losses	(\$372,533.06)
490	Unrestricted Net Position	914230	Campus Fencing	(\$48,355.14)
490	Unrestricted Net Position	914236	Power Plant Chiller Repair	(\$18,302.30)
490	Unrestricted Net Position	914238	Campus Lighting Project	(\$200,000.00)
490	Unrestricted Net Position	914243	Campus Center HVAC Repairs	(\$45,370.64)
490	Unrestricted Net Position	914244	Gentry Locker Room Shower Upgrade	(\$41,758.80)
490	Unrestricted Net Position	914246	Gentry Pool Automation & Gas Boiler	(\$130,000.00)
490	Unrestricted Net Position	914255	Wilson Hall Mold Remediation-Insur	(\$155,000.00)
490	Unrestricted Net Position	914256	Gentry Ctr Roof Repair (Loss/Ins)	(\$298,794.50)
490	Unrestricted Net Position	914263	Safety & Security - Appropriation	5,900.00
490	Unrestricted Net Position	914265	Gateway Entrance 001-02-2017-297000	(\$328,142.22)
3021	Expenditure Control	914265	Gateway Entrance 001-02-2017-297000	2,879.02
490	Unrestricted Net Position	914266	Ag Facilities Improve 04-2017	(\$29,356.44)
490	Unrestricted Net Position	914270	LRC Roof Repairs	(\$34,058.57)
490	Unrestricted Net Position	914272	E&G Facilities Management Projects	1,140.00
3021	Expenditure Control	914272	E&G Facilities Management Projects	1,056,236.00
3041	Encumbrance Control	914272	E&G Facilities Management Projects	411,988.45
490	Unrestricted Net Position	914273	Aux Facilities Management Projects	(\$21,728.89)
3021	Expenditure Control	914273	Aux Facilities Management Projects	\$67,862.30
490	Unrestricted Net Position	914276	Tornado Damages-Uninsured Losses	(\$114,606.00)
3041	Encumbrance Control	914276	Tornado Damages-Uninsured Losses	9,000.00
490	Unrestricted Net Position	914279	Tornado Damages-Insured Losses	528,173.49
3021	Expenditure Control	914279	Tornado Damages-Insured Losses	54,386.88
3041	Encumbrance Control	914279	Tornado Damages-Insured Losses	237,167.44
3021	Expenditure Control	914280	Goodwill Manor Elevator Repair	78,461.25

490	Unrestricted Net Position	914281	Agr Tornado Damage-Content Recovery	(\$408,088.79)
3021	Expenditure Control	914281	Agr Tornado Damage-Content Recovery	210,953.42
3041	Encumbrance Control	914281	Agr Tornado Damage-Content Recovery	189,861.89
490	Unrestricted Net Position	914287	Tornado Repair&Repl 01-2020 322000	\$2,261,513.52
3021	Expenditure Control	914287	Tornado Repair&Repl 01-2020 322000	(\$536,441.60)
490	Unrestricted Net Position	914288	Tornado Farm Equipment Replacement	(\$210,742.26)
3021	Expenditure Control	914288	Tornado Farm Equipment Replacement	38,513.80
490	Unrestricted Net Position	914289	Tornado Temporary Farm Facilities	(\$219,209.15)
3021	Expenditure Control	914289	Tornado Temporary Farm Facilities	44,688.20
3041	Encumbrance Control	914289	Tornado Temporary Farm Facilities	44,125.29
490	Unrestricted Net Position	914292	Tornado Construction Project	(\$752,768.40)
490	Unrestricted Net Position	914300	CAMPUS SUMMER 2022 REPAIRS	23,336.67
3021	Expenditure Control	914300	CAMPUS SUMMER 2022 REPAIRS	467,442.04
3041	Encumbrance Control	914300	CAMPUS SUMMER 2022 REPAIRS	54,303.03
490	Unrestricted Net Position	914301	HOUSING SUMMER 2022 REPAIRS	103,015.46
3021	Expenditure Control	914301	HOUSING SUMMER 2022 REPAIRS	1,345,342.97
3041	Encumbrance Control	914301	HOUSING SUMMER 2022 REPAIRS	9,999.99
			<b>LOCAL UNEXPENDED PLANT FUND TOTAL</b>	<b>(\$28,185,561.71)</b>
			<b>GRAND TOTAL</b>	<b>(\$44,473,632.85)</b>

**NOTE: IMPACT OF BOND PAYMENTS HAVE NOT BEEN ANALYZED OR VERIFIED**