

TENNESSEE STATE SCHOOL BOND AUTHORITY

August 28, 2020

The Tennessee State School Bond Authority ("TSSBA", or the "Authority") met on Friday, August 28, 2020, at 1:30 p.m. via Webex Events with certain members being physically present in the Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee. Interested members of the public were only able to observe and listen to the meeting through electronic means. The Honorable Justin Wilson, Comptroller of the Treasury, was present and presided over the meeting.

The following members were physically present:

The Honorable David Lillard, State Treasurer
Commissioner Butch Eley, Department of Finance and Administration
Dick Tracy, proxy for Dr. Flora Tydings, Chancellor, Tennessee Board of Regents

The following members participated electronically via Webex Events:

The Honorable Tre Hargett, Secretary of State
Mr. Mark Paganelli, proxy for Mr. Randy Boyd, President, University of Tennessee

The following members were absent:

The Honorable Bill Lee, Governor

Recognizing a physical quorum present, Mr. Wilson called the meeting to order and stated that the first item on the agenda was the approval of the minutes of the meeting held on July 20, 2020. Mr. Wilson stated that he had read the minutes, and everything appeared to be in order. Mr. Wilson asked if there were any comments, questions, or discussion on the minutes. Hearing none, Mr. Wilson moved approval of the minutes, Mr. Lillard seconded the motion, and Ms. Thompson called the roll:

Mr. Tracy – Aye
Mr. Lillard – Aye
Mr. Eley – Aye
Mr. Hargett – Aye
Mr. Paganelli – Aye
Mr. Wilson – Aye

The motion was approved unanimously.

Mr. Wilson then stated that the next item on the agenda was consideration of a project by the University of Tennessee. Mr. Wilson recognized Mr. Austin Oakes, Executive Director of Capital Projects at the University of Tennessee ("UT"), to present the project.

Mr. Oakes stated that the request from the University of Tennessee Health Science Center was for approval of an acquisition with waiver of advertisement and appraisals of property located at 45 South Dudley Street in Memphis, Tennessee. Mr. Oakes stated that this request was for the acquisition of the Memphis Bioworks Vivarium, land, and truck court. Mr. Oakes explained that the Vivarium was designed for orthopedic medical device and therapeutic pharmaceuticals research studies. Mr. Oakes stated the facility supports good lab practices, compliant studies, and will accommodate multiple occupants in simultaneous studies. Mr. Oakes explained that UT is currently leasing the facility, and if approved by the TSSBA the request would be brought before the State Building Commission's Executive Subcommittee for additional review and approval.

- University of Tennessee Health Science Center – Memphis Bioworks Acquisition (A97); Cost: \$16,000,000 of which \$14,450,000 will be financed from TSSBA; Term of Financing: 20 years as long-term financing at an assumed taxable rate.

Mr. Lillard asked if the waiver in this request related only to the TSSBA bond funding requested. Mr. Wilson confirmed that this request only related to the TSSBA funding. Mr. Wilson asked how the current facility rents compared to the expected debt service. Mr. Oakes stated that the rent had been discounted in the past year to approximately \$300,000 per year, but prior to that the rent had been approximately \$1,000,000 per year. Mr. Oakes stated that UT anticipated the future debt service to be close the prior \$1,000,000 rent payments. Mr.

Wilson asked if there were any other questions related to this request. Hearing none, Mr. Wilson moved approval of the project, Mr. Lillard seconded the motion, and Ms. Thompson called the roll:

Mr. Tracy – Aye
Mr. Lillard – Aye
Mr. Eley – Aye
Mr. Hargett – Aye
Mr. Paganelli – Aye
Mr. Wilson – Aye

The motion was approved unanimously.

Mr. Wilson then recognized Mr. Oakes to present the next two requests on the agenda. Mr. Oakes stated that the next two requests were both related to COVID student housing needs at the University of Tennessee at Knoxville. Mr. Oakes stated that the members on the Executive Subcommittee had heard both of these request items on the previous Monday. Mr. Oakes explained that UT had previously brought an apartment complex lease forward in July seeking up to 300 beds. Mr. Oakes explained that UT had modified this request to 200 beds to better align with available stock in the market but was only able to secure 90 beds when the leases were signed. As a result, UT was appearing before the board to secure additional housing in the hotel marketplace. Mr. Oakes stated that both of the hotels being discussed today had already entered into short-term agreements with UT through September 20th, for a total amount of less than \$150,000. Mr. Oakes explained that both hotels would be used to house non-positive test, non-symptomatic students. Mr. Oakes stated that these two requests would bring UT to 311 isolation spaces with 39 on-campus and 272 off-campus.

Mr. Wilson asked if there were any questions related to these requests. Hearing none, Mr. Lillard moved approval of items 4 and 5 on the agenda. Mr. Wilson seconded the motion and Ms. Thompson called the roll.

Mr. Tracy – Aye
Mr. Lillard – Aye
Mr. Eley – Aye
Mr. Hargett – Aye
Mr. Paganelli – Aye
Mr. Wilson – Aye

The motion was approved unanimously.

Mr. Wilson asked if there were any other matters to come before the Authority. Hearing none, Mr. Wilson made a motion to adjourn.

The meeting was adjourned.

Approved on this 19th day of October, 2020.

Respectfully submitted,


Sandra Thompson
Assistant Secretary