

**ECONOMIC DEVELOPMENT COMMITTEE**  
**January 19, 1999 – 4 p.m.**

The meeting of the Economic Development Committee was called to order by Councilman Hakeem, Chairman, with Councilmen Franklin, Rutherford, Eaves, and Crockett present; Councilwoman Hurley joined the meeting later. City Attorney Randy Nelson, Management Analyst Randy Burns, and Carol O'Neal, CMC, were also present.

Others present included Mayor Kinsey, Joe Zimmerman (Signal Mountain Cement), Steve Hiatte, Atty. Alfred Smith, Asst. City Attorney Lawrence Kelley, Admin. Marcellis, Richard Hutsell, Allen McCallie and Jack Steiner.

**TAX INCENTIVE FOR SIGNAL MOUNTAIN CEMENT COMPANY**

Mayor Kinsey introduced Joe Zimmerman, President of the local Signal Mountain Cement Company, Steve Hiatte of the Chamber and Attorney Alfred Smith. He stated Signal Mountain Cement serves a very wide region out of their facility and (they) have gotten to the point where there is need for expansion. He stated there are 100 employees at the facility and a \$110 million expansion for a state-of-the-art facility is underway. He stated the expansion would mean employees' jobs are safe for the future and taxes on the first year without any incentive would be \$1,700,000. He stated of the \$1,700,000 he is asking \$100,000 be provided as an incentive to the Company split between the City and County proportionally over a ten-year period.

*Councilman Crockett made the motion to approve the request; Councilman Franklin seconded the motion.*

Councilwoman Rutherford inquired as to when the matter will be placed on the agenda. Mayor Kinsey indicated that he would like for the matter to be on next week's agenda (January 26).

At this point a vote on the motion by Councilmen Crockett and Franklin was taken; *the motion passed.*

**WILLIAMS STREET IMPROVEMENTS (Double Cola Plant)**

Admin. Marcellis stated road improvements are needed on Williams Street; that there are warehouses on 31<sup>st</sup> Street and there is a need to run trucks back and forth to the Double Cola building. He stated in the application submitted it was indicated employment would improve within the next three years, as well as physical improvement of the plant of \$15 million and equipment of \$10 million. He stated his department has looked at the situation and has come up with a design for the roadway. He stated the City normally does the curbs and gutters, yet the company has split the cost and they are asking the City to come up with \$9,000 and they will do

about \$7,000 worth of work. He stated he submits that as a proposal to the Council and if approved have it placed on next week's agenda. He stated Double Cola is on 33<sup>rd</sup> Street between Williams and Broad and they have several warehouses.

Councilwoman Rutherford stated this is in Councilman Taylor's district. She asked if this is on next week's agenda and whether it will also come up in Public Works Committee. She stated she certainly has no opposition to the request.

Admin. Marcellis Indicated that it will be mentioned in Public Works Committee for Councilman Taylor's benefit and will give City Attorney Nelson the information needed for inclusion on the agenda.

### SIGN ORDINANCE

Councilwoman Rutherford stated she brought this matter up; that it is her intention not to scrap the Sign Ordinance, but to review and update it where needed. She stated any ordinance of this magnitude should be reviewed every ten years; that there have been several conversations about how it came around in the first place and everyone conflicts with the next one. She stated Allen McCallie was involved at the very beginning.

Atty. Allen McCallie gave a historical accounting of the background of the Sign Ordinance and how it came into being. He stated the desire for regulation and legislation where none existed has been "batted around" for many years; that nothing equivalent to a sign ordinance was on the book. He stated clutter was growing with message board signs and taller and bigger signs really began to be a problem. He stated Mayor Roberts turned to an all-volunteer organization to spearhead the effort, along with Chattanooga Venture; that Councilwoman Hurley was involved with Venture at the time and so was Ron Littlefield. He stated Venture asked for an all volunteer group of anyone interested in the sign ordinance, whether users, suppliers, objectors -- anybody that had any interest. He stated to participate in a process to design a sign ordinance required only that it be "run through" the City Attorney's office. He stated Randy Nelson and Shelley Parker spent off-and-on over four years to come up with a combination of an off-premise sign ordinance and then on-premise.

Atty. McCallie stated when the volunteers first met the meetings were well attended and indicated Jack Steiner was there; that billboard companies, sign constructors, attorneys -- all were just volunteers and people interested in the City's beautification. He stated they met for several months before realizing it was a big and difficult topic and that they could not tackle the whole idea at one time; that they agreed to separate the matter into two issues: off-premise and on-premise. He stated little did they know it would take four years!

Atty. McCallie continued by stating they were on their way and had great attendance from a lot of people; that it took four years to do it! He stated the first big effort culminated in the passage of the off-premise ordinance and everyone was exhausted and the billboard companies bowed out (Ken Hall and Larry Profit); that they had their business done and then the issue of the on-premise ordinance was discussed. He stated they labored for another two-or-three years and Shelley Parker put in many hours of drafting time. He stated they looked at model ordinances, strict and moderate ordinances; that they were proud and disappointed with what they came up with. He stated the real lesson is there is no "perfect" ordinance; that they did their best to come up with a "perfect" ordinance. He stated the only thing he has any difference with is what has happened to the ordinance in the last ten years and one is the flower sign, which was, technically, a sign with no provision in the ordinance. He stated the ordinance was amended to encourage landscaping signs. He stated many downtown businesses that did not have front yards and no ability to have a sign in front of their door were allowed to have banners to project twelve inches farther out. He stated there have been dozens of ordinances like that; that each has been brought to the table to address a peculiar but general need where no one gets hurt and the ordinance is a stronger thing.

Atty. McCallie continued by stating for the people on the committee that wanted a strict sign control there was one great disappointment and over time (it) has turned into great disappointments. He stated the way cities have attacked sign clutter there was mention of size, height and closeness to the road; that the City required everyone to come into compliance with the new ordinance. He stated members of the volunteer sign committee wanted that so the City could show off its beauty more quickly if compliance were forced. He stated for several reasons it was determined we would not do that; that they put no "automatic teeth" into the ordinance, and instead required any time a new business was established it had to comply or if any existing business changed new signs they would have to comply. He stated those were the only "teeth"; that there was a lot of bitterness, anger and some felt betrayed. He stated the "judgment of the day" indicated "trust us" as the town grows and evolves.

Atty. McCallie stated if you drive around and look at the new businesses over the last ten years, they have complied and in an attractive and beneficial way. He stated they wanted to level the playing field so that deep pocketed companies would not have an advantage over "mom and pop" businesses. He expressed that the volunteer committee did a good job of that; that every person out there who owns and operates a business has legitimate and reasonable opportunity to advertise their business with a projecting pole sign, wall or storefront sign. He stated the committee made certain everyone got the opportunity without having to worry about the size of something dominating; that he thinks that was a big sacrifice to have "no teeth" in it. He stated

the other disappointment when the ordinance was passed was that there were fewer than six signs in our whole City that were over 50 feet tall and everyone knew there was the potential for more; that the committee thought only those type signs should be allowed in the strictest possible circumstance. He stated discretion was granted to the Board of Sign Appeals to allow taller signs for those near the Interstate; that what has happened since then is that the Board, through their hard work and good work, is a one-way forum and is not designed to allow someone who does not like a sign to argue against it.

*(At this point Councilwoman Hurley joined the meeting.)*

Councilman Eaves stated the statement was made that we do not “want to choke on a gnat and swallow a camel,” which he thought had to do with people who enforce signs; that that is not the case. He expressed his thoughts that a good job has been accomplished; that in addition his feeling is that the Board needs to be given a little “leeway”. If stated if there is a sign that has been grandfathered-in and out of compliance originally and someone wants to fix the sign up and take care of it to make a good sign, why would he not be allowed to do so. He stated the inspectors need a little “leeway” and so does the Sign Board; that he does not want the small businessman not to be able to do anything with his sign because he does not have access to an attorney to represent him before the City Council and allow him to do something other people are allowed to do. He stated he would like to allow some five-to-ten percent “leeway” on whatever the sign inspectors feel they need to do to accommodate the “little” and “big” guys; that that is his problem. He stated he has nothing to do with the sign ordinance as it has proven to be pretty nice; that he was not happy with it originally. He stated he thinks there is need for a little “leeway” to be able to work with the small guy toward an upgrade without “beating him over the head”.

Councilwoman Rutherford stated that she feels if the people who were instrumental in developing the ordinance, along with representatives from each of the districts, could meet, review and discuss changes that some business people feel need to be addressed; that she does not see how they could do anything but strengthen the ordinance. She stated that is what she proposes the Council do. Councilman Eaves responded that “that’s great”.

Councilwoman Rutherford stated since Allen (McCallie) and Jack (Steiner) were instrumental in the different phases, she asked if they would be willing to talk with some of the people who had been on the committee and see what information they can bring together. At this point, she asked if Planning was involved; the response was “no”.

Councilwoman Hurley stated the task force was created with Ann (?), Jack McDonald, Arvin Reingold and others and records were not kept at that time. She stated it was a very broadly based, diverse group. She stated it was more of what she would characterize as small business people than huge shopping mall people. She stated they met for about a year and then came to the Mayor; that Shelley Parker worked with Allen. She stated if we went around and got “before and after” shots they would reflect many changes; that leadership came from some of the people who were in the sign business or benefiting from the signs. She expressed that it is good to review the ordinance and indicated that Rob Taylor would be someone with “hands on” experience with it.

Councilman Hakeem stated it has been proposed that we look at having a committee. He asked if there are any ideas as to how the committee should be comprised.

Jack Steiner stated it seems as if he is looking ten years back into history; that he doesn't see any major changes that the ordinance needs, but thinks every ordinance after ten years should have some type of review. He stated there are certain things in the ordinance that he likes and others he has to tolerate and live with. He stated some of our scenic roads have changed and some that need to be removed; that it would not hurt to have a good review committee.

Councilwoman Rutherford stated Hamilton Place has built up over the last ten years and from Lee Highway to I-75 it is like the sign ordinance does not apply to them. She stated Hamilton Place did not learn anything from Brainerd Road or South Broad Street; that it is horrible with them being on top of the other. She expressed that she does not understand how that area built up in such an atrocious fashion when the sign ordinance was a law.

Councilwoman Hurley stated Mike Lebovitz called and wished we had not done it; that the issue for them was they would have adjusted if they realized this was the path it would take. He stated they have a much more restrictive sign ordinance within Hamilton Place and they would love to be a part of this. She stated they reflect the point of view rather than getting special treatment and should be held in very high standards; that they operate all over this country. She stated she does not know how the other side of the Interstate built up; that there was some grandfathering.

Atty. McCallie stated the tall ones are purely and simply a function of how hard it is to say “no” when you have no one sitting in front of you advocating for you to say “no”. He stated every tall sign on the left of I-75 has happened since the ordinance.

Richard Hutsell stated he has been involved since the first day of the ordinance; that there are still several signs that were grandfathered-in (Red Roof and Hampton Inns) and there have been several variances involving Hamilton Village Drive which by set a precedent and stair-stepping of signs. He stated the Sign Appeals Board made a decision that that will not happen again. He stated there are no signs the Appeals Board has granted over 80 feet, which is the maximum the Board can approve. He stated the Appeals Board has gone out to that area when application was made and the way the ordinance is written if a business is within 660 feet of access to the Interstate they can apply for up to 80 feet.

Councilwoman Hurley stated the sign ordinance was a compromise; that there were clearly people who would have had a much stricter sign ordinance; that 80 feet close to the Interstate was a compromise. She stated clearly some thought we should somehow take down all the billboards; that this was a really beautiful example of the compromise reached among people who had strong opinions.

Atty. McCallie stated that is his greatest concern; that this ordinance has caused him more heartache than anything has in the last ten years. He stated the law that applies to “little guys” applies to “big guys” and if you allow some latitude for some small businessman that is why it is impossible for personal discretion to go into the ordinance. He stated it is unlawful and if you do it one time you have to do it every time.

Councilman Crockett stated he has made this statement and thinks it has become complicated and at times a little bit onerous in its enforcement. He stated people who crafted the first sign ordinance did an incredible job in a very difficult climate and there were probably more heated arguments than the current arguments; that they did a remarkable job.

Atty. McCallie stated the committee started in 1986 and finished in 1989.

Councilman Crockett stated times have changed and the matter should be opened up with no preconceived notions. He stated our sign ordinance is one that is very restrictive compared to other places; that it is much less restrictive than other folks'. He expressed that the ordinance should be looked at openly; that some signs you can see a lot further because they are one-third the size.

*At this point, Councilman Hakeem presented a proposed committee list that consisted of the head of the building inspection department, the chief sign inspector, a representative of the City Attorney's office, a representative from the Regional Planning Agency, two members of the original ordinance drafting committee, a representative of small*

*business/retailer, a representative of large business/retailers, Chair and Vice Chair of the Board of Sign Appeals, a representative of the sign industry; and a representative from the original Chamber of Commerce committee.*

Councilwoman Rutherford stated that the composition is good but is not inclusive enough. She stated as elected officials we should have representation and likes the idea of appointing someone from each district to serve. She stated the Council will be the ultimate people, will get the praise or blame and will be the ones business people come to with their complaints. She reiterated that Council members need representation on the committee. She asked who would select the representatives of the small businesses and others.

Councilman Hakeem asked if it is felt Council members could bring a representative from their districts to do this right now or take some time?

Councilwoman Rutherford stated it depends upon the person each Council member appoints.

Councilman Eaves stated he does not consider the Council being under a “time gun”.

Councilman Franklin stated in addition to the representatives Councilman Hakeem proposed and the addition of our district representative, how many will be on the committee. Management Analyst Randy Burns indicated the number would be 21. Jack Steiner stated there were more than that, originally.

Councilman Hakeem asked if the agencies proposed are acceptable? The response was “yes”. He clarified that each Council member shall appoint a district representative.

Councilwoman Rutherford again asked who will appoint the representatives of the small and large businesses. Councilman Hakeem stated “he” can do it or “we” (Council) can do it. Councilwoman Rutherford indicated that she likes the idea of “we”.

Atty. McCallie expressed an idea and stated it took almost four years with the previous committee, which ruined his life for four years and indicated that he does not want to go through that again. He stated Council members should not ask persons to volunteer for this; that he would suggest that the professionals do it, such as the City Attorney, a couple people from CBL, or whatever. He stated that group of five-to-seven people should report and explain to the group here now, otherwise it would be a nightmare for them. He reiterated allowing the group the Council is appointing to have “say so”, input, veto, whatever. He suggested that the Council not ask them to come to monthly meetings.

Councilwoman Hurley expressed agreement with Atty. McCallie's suggestion that the committee should be divided into a task force of professionals to review the present ordinance. She stated this process is highly technical and really did take a lot of time; that it was hard and they had other lives to lead.

Councilman Crockett inquired about the resources; that if people are asked to commit do we have the resources to look at our ordinance relative to other places; that it costs time and money.

Councilman Hakeem stated the Council should provide the make-up, first; that what Atty. McCallie is suggesting are five-to-seven people to review the ordinance and then make recommendations to the larger group.

Atty. McCallie interjected that "that is right"; that five-or-seven is not a magic number; that the committee should be composed of a small core of people. He stated they should move it forward and be open to suggestions from the larger group; that this group would have ten suggestions to put in the "pot" to start with.

Mr. Steiner expressed agreement with Atty. McCallie; that a small core of people could move a lot quicker; that they can bring up issues and present them to the larger group.

Councilman Hakeem asked how that ties in with what Councilman Crockett is talking about; that he (Hakeem) is looking at the whole thing. He asked if ten things are identified will the core group look just at that or the whole ordinance. Mr. Steiner stated five-or-seven could look at it all a lot quicker.

Atty. Lawrence Kelley stated he has been "sitting" on the sign ordinance for the last year; that he mentioned it to Allen (McCallie) and he had the same impression. He stated he thought he would be on a committee of "700" to do a legal draft and thinks it might be a good idea to have a review group to have some real "teeth" in what may come to the Council. He stated they can make suggestions of what they have seen and draft a possible change or come up with pros and cons, again expressing agreement that the actual drafting committee should not be a committee of "700".

Councilman Hakeem stated we are getting into what the group should look at rather than what the group should look like. He stated he is hearing there should be a review committee of five-or-seven that would bring recommendations to the larger group of 21 people, which they will be a part of, who will then bring them to the Council.



Atty. McCallie stated the only way to modify the review group is to bring a recommendation to this table; that if there are too many recommendations or if they are too complicated they can be taken to the handpicked group of “whomever”. He stated he is not advocating one way or the other.

City Attorney Nelson stated there would be a small committee with five-to-seven persons to make recommendations and bring issues to the Council. He stated if the Council determines it is too much, then it goes to a bigger committee that would sort through the material and make a recommendation to the Council.

Councilman Hakeem stated the interest on the part of the Council is for people and others to give their suggestions and thoughts. He stated if he is hearing correctly the committee will start out with a small group of five-or-seven and if it is too much information it will go to the larger group of 21.

Councilwoman Rutherford clarified that the Council would like to see a group of five-or-seven with technical and/or background knowledge; that there needs to be representatives from each of our districts and business, as it needs to be a two-way conversation. She stated the small group will actually do the technical work, but thinks the community needs to be represented in this because it is an issue that affects every single person in the community; that they are visually affected. She stated she feels that it needs to have more representation than five-or-seven; that they will be the key ingredient.

Councilman Crockett stated he believes in getting questions down and ideas, first.

Councilman Hakeem again clarified that of the committee of 21 people, five-or-seven will be doing the technical work.

Councilwoman Hurley stated the five-or-seven are “staffing” it and the City Attorney calls the meeting of the “staff”. She reiterated the five-or seven would be considered the “staff” and the technical people who will review and make a recommendation.

Atty. McCallie stated 21 people develop questions and five-to-seven develop alternative answers.

Mr. Steiner stated he would be very disappointed if there are very significant changes to this ordinance.

Councilman Eaves stated he does not want any significant changes necessarily; that he only wants some mechanism where the small man can benefit. He stated he would like to have a variance board for the small guy without having to hire an attorney.

**Councilman Hakeem stated we have a 21 person committee with nine being from the community (districts) or not in the industry.**

**Councilwoman Hurley stated she would like to support someone who is in the industry; that she would not exclude district appointees (from being in the industry).**

**Councilman Franklin stated the district representative can be in the district and have some experience.**

**Councilwoman Rutherford stated each Council person should choose one person, no matter who.**

**Councilman Hakeem stated there will be five-to-seven persons who deal with the technical matters and bring all ideas together to the group of 21; that Atty. Lawrence Kelley will be involved.**

*Councilman Crockett made the motion to approve the previous statement by Councilman Hakeem and amended his motion by stating Planning should submit a budget for whatever money will be involved; Councilwoman Rutherford seconded the motion; the motion passed.*

**Councilwoman Rutherford inquired as to the time frame for the district appointments; that the committee should develop their time line, yet, she wants to hear from the committee before 2010!**

**Atty. McCallie stated the committee should know what the questions are and energies inside six months. Councilwoman Rutherford stated the time can be extended if necessary. Councilman Hakeem stated there are things we want to surgically look at; that the effort is to look at the entire ordinance.**

**Councilwoman Hurley stated Johnson City has a good one; that we might want to get a copy as they are operating under the same State law and environment.**

**Councilman Rutherford again asked the time line for Council member names. Councilman Hakeem suggested thirty days; that it is hoped each Council member will have a representative within that time for submission to the Clerk of the Council.**

**Atty. Kelley inquired as to the other five-or-seven persons other than himself. City Attorney Nelson mentioned the Chief Building Inspector. Councilwoman Rutherford stated the Mayor would be a good representative to make recommendations. Councilman Hakeem stated the others are self-explanatory.**

**The meeting was adjourned.**

