

## **ECONOMIC DEVELOPMENT COMMITTEE**

July 23, 2002

4:30 P.M.

The Economic Development Committee was called to order by Councilman Page, Chairman, with Councilmen Hakeem, Benson, Taylor, Littlefield, Franklin, Pierce, Robinson, and Lively present. City Attorney Randall Nelson; Management Analyst Randy Burns; and Shirley Crownover, Assistant Clerk to the Council, were also present.

Others present included Jerry Pace, Mike Compton, Adm. McDonald, Mayor Corker, and Todd Womack.

### **INTRODUCTION OF DAVID EICHENTHAL**

Chairman Page turned the meeting over to Mayor Corker, who stated that he first wanted to introduce someone to the Council, would then go through the 21<sup>st</sup> Century Waterfront Plan with Ken Hays and Ann Coulter, and would end with how we can make this Plan real.

He introduced **David Eichenthal** from New York City. He stated that way back early, Administration had people come in to see how things could be set up; that they talked about an Auditor, a Performance Auditor, which would be tied closely to the Call Center to monitor services. He stated that they called local accounting firms and told them what we were looking for, and we advertised this position nationally and locally, and the two finalists were from New York City and one from the West Coast. He explained that this type of job is an auditor and also a performance auditor—that we will have performance based auditing; that we have outside agencies and no one sees what they are doing and if the dollars are being used in an efficient manner; that we want to insure that our citizens are getting the most “bang for their bucks”. He stated that David had distinguished himself in New York City, had been there all his life, and had talked his wife into uprooting their family of two children, and they were now renting in Shepherd Hills. Mayor Corker stated that he called people he had read about in New York City and had never heard such high references on work ethics; that Mr. Eichenthal was Chief of Staff in the New York City’s Advocate Office; that he had a background combined with technical ability that made him ideal for this position.

Mayor Corker went on to say that David’s wife, Bea, was an activist, who got involved in neighborhoods, and he was sure the Council would come in contact with her. He stated that he had wanted to introduce David to the Council before this was made public, but a reporter had found out about it. He apologized that the Council found out about this in the newspaper. He asked Mr. Eichenthal to say a few words.

Mr. Eichenthal said that he did not know it would be in the newspaper either and when he read it, he decided he better come to work today. He stated that it was a privilege and honor to be here; that he appreciated the opportunity to work with the Council and the Mayor; that this was great city, and we would attempt to see how it could work better for the people here. He stated that this was a tremendous opportunity for him professionally and a great opportunity for his family.

Chairman Page welcomed him to the City and thanked him for his willingness to share his expertise.

Councilman Hakeem noted that there were some fine houses in the inner city.

### **THE 21<sup>ST</sup> CENTURY WATERFRONT PLAN**

Mayor Corker began by saying that everyone was aware of our investment in the Waterfront; that this had been through the charrette process; that when he came into office, he took Jerry Mitchell to Ross's Landing, which was then just "hot pavement"; that Jerry brought Ken Hays and Ann Coulter into the process; that we improved Ross's Landing and it kept expanding, and we got the State to give us Riverfront Parkway, which actually allowed us to be able to connect the waterfront, and it was "blue skies"; that we had enlisted Hargreaves Associates, and they had come down in February and there had been public meetings. There had been large attendance at these meetings. We asked Hargreaves to come back, and they did so in May; that we had been putting things in place and figuring out funding. Mayor Corker stated that there was a bill in the General Assembly that would allow us the freedom to impose a Hotel-Motel tax; that we had met with a group of key philanthropists to talk about the goal of transforming the river. Mayor Corker noted that Ken Hays was here today to show the Plan to the Council and hopefully they would adopt it. He stated that after Ken had made his presentation that he would talk about where we should be for the funding.

Mr. Hays stated that he would start out by telling how we got here; that two years ago we adopted a Strategic Plan and returning to the river strategy was the key; there was a five-year time table, but Mr. Hays noted that we did not count on a "bulldog" Mayor. He mentioned the 4<sup>th</sup> Street east-west connector that we adopted two years ago and which put us in a serious position to say "what do we do now?" He stated that we thought first we should look at Ross's Landing; that we had a parking lot and said now is the time to do this; that two things happened with Riverfront Parkway being the key piece; that we would make Riverfront Parkway an urban boulevard with intersections being the key piece; that in the whole process we started to say "look at this area".

Mr. Hays went on to say that a couple of key things happened and Hunter Art Museum got excited and had gone through a process; that they had been an island and not part of the community and 2-3 years ago, they really wanted to be included. Congressman Wamp was successful in getting Moccasin Bend turned into a National Park; that Hunter Museum was at one end and the Park at the other end, and it made sense to look at the 21<sup>st</sup> Century Waterfront. This was not all done in a short time; we had to look at it 2-3 times to get ideas. Mr. Hays noted that an Executive Summary would be handed out at the end of the meeting, which is made a part of the minute material.

He stated that this started in February and culminated with hundreds of folk coming to the charrette in May; that we met with all kinds of focus groups including property owners, native Americans, boaters, and the Moccasin Bend Task Force; that we had a lot of input; that if you look at Cameron Harbor for 5-15 years there will be mixed use development with two marinas, as well as houses and offices; that in 5-10 years this can be very real and can be a great little neighborhood

Mr. Hays mentioned the beginning of Moccasin Bend Park and an Interpretive Center and also the Bike Master Plan for continuation of the RiverWalk. The Trail of Tears will also be included. He stated that basically Manufacturers West on the Riverfront would be a place to live, work and play. He stated that we did not want to take away any existing industry but to highlight them; that things could start to change. He mentioned JIT, stating that people love to watch an active riverfront; that this is basically for long term Cameron Harbor and the Park entrance and Manufacturers West; that we will really focus on Ross's Landing; that the Plan says to start at the existing marina and to upgrade it; that this is the gateway to downtown as you enter from Amnicola, and we want to keep the green space. We can develop sites on the river such as restaurants and second floor housing and create development parcels. He stated that we want to bring people to live on the river and the more we get to move into downtown, the better our chances are of getting retail and other activities.

He mentioned that we would move the stage for the Riverbend Festival, which is one of the greatest festivals in the country. We also want to make this a great city pier for boats to dock and water taxis; right now we are so "boater unfriendly" and do not accommodate overnight stays. We want people to spend 3-4 days. The Riverboat will be moved down to the Olgiati.

Continuing on with this Plan, Mr. Hays mentioned the National Park service, stating that we had spoken with the archaeological folks and want to honor the Trail of Tears. We have had several meetings with the Native American community and want to acknowledge them in working with the good folks to come up with a Plan that will work.

Mr. Hays stated that we wanted to finish our river's edge and make it world-class; that we had had a lot of development, and it was time to finish this off.

The second piece of the puzzle is our commitment with Hunter Art Museum; that when they heard about this, Hunter wanted to be connected. Part of the concern that Hunter had was the stiff intimidation of those wanting to walk, and we had come up with a little urban trolley used in Europe, which is a little street elevator. This calls for vehicular and pedestrian traffic, and we want to create a world class little park. Another exciting feature is the new great public space and the grand view; that this will be made a piece of art work and addresses the ADA issues and increases part of the excitement right now which is people walking across the Walnut Street Bridge. He stated that Hunter Museum was "fired" up about this, as it will make the museum more 21<sup>st</sup> Century.

The third and final piece is the Roper site. Coolidge Park has been an urban success. We want to maintain the ecological balance and one of the things people are talking about are herons, and we looked at the Roper site. We want to keep this part of the park as a national habitat, and it is unusual to have an environmental sensitive area downtown. This can be used as a wetland park, and we want to leave the area undisturbed. On the north side of the site we will make a Venture Playground, which will be kid-oriented. We also want to memorialize the Trail of tears on this site. He stated that we had been in cooperation with Roper and had signed some confidentiality agreements to figure out how to make this happen and Roper had been a great public citizen in getting this done.

Chairman Page stated that now might be a good time for questions.

Councilman Hakeem asked about the slide dealing with Hunter Museum, next to Walnut Street Bridge—would this be a living area and a business area? Mr. Hays answered in the affirmative, adding maybe even some galleries. Councilman Hakeem asked about those areas that would be served by the tram—if this would be the only access to the area? Mr. Hays stated that some areas could be reached by car and others could use the tram or could walk.

Mr. Hays stated that in the early days of the Plan, when activity occurs, that over time they would start looking at dealing with parking.

Councilwoman Robinson stated that she got excited thinking about this; that it was an astonishing and wonderful Plan and very appropriately named, "21<sup>st</sup> Century Waterfront". She asked if we could have a formal Resolution that this City can adopt to go forward with this Plan. **She made the motion that a formal Resolution be adopted. This was seconded by Councilman Littlefield.**

Councilman Hakeem asked if this was a phased process.

Mayor Corker responded that they asked the consultant to tell us things that needed to be done right now, which were (1) Ross's Landing Area, (2) Connection between Market Street and Hunter Museum, and (3) Roper Property. He went on to explain that Hunter Museum was looking at renovating their building and acquiring land and doing an expansion; that we all want to work together and not against each other; that over 36 months we should have a transformation of the river including Ross's Landing, connection to Hunter Museum, and the Roper Project. Mayor Corker stated that this was Phase I, which is planned and laid out, and we are talking to property owners as the Plan evolves and will add to Phase I.

Councilman Hakeem asked about the Hotel-Motel tax and if there was any estimate of what is needed to accomplish what we need to do.

Mayor Corker responded that the community was involved and if one did not believe this, they should have come to the charrette where there were ideas and public discussion; that this was adopted but at the same time, there was no funding.

Councilman Lively stated that he believed this would take off once the public initiative is in place; that he thought the private sector would jump in.

Councilman Benson stated that in the sequence of events he did not hear anything about the Mabel Street situation and a connector into UTC. Mayor Corker explained that we had already done this. Councilman Benson went on to say that with this sequential prioritizing he hoped that the whole city would not be bogged down and no one would be able to travel anywhere. He also questioned if we had really looked into parking and any incentive for deck parking.

Mr. Hays responded that parking has to be part of the conversation; that naturally there would be some inconvenience in traveling around, but he thought we had a balance where we were headed—that we could not have it all happening at the same time; that RiverCity was doing all they could to keep the momentum going; that focus groups met after May 13<sup>th</sup>, and they brought the consultant back in; that they had considered the ecological and archaeological design.

Chairman Page noted that this had been developed with many peoples' help and showed appreciation for Ken Hays' and the Mayor's work in relation to the 21<sup>st</sup> Century Waterfront Plan. He stated that this was truly a significant event.

Mayor Corker stated that along the way we had principles to keep in place; that there were tough decisions he had to make when he came in office; that resources were scarce and a lot of prioritizing was necessary in meeting peoples' needs; that we did not want to use any resources for this Plan that would take away any of the quality of life for our citizens or our educational goals; that no General Fund money would be used to make this happen. He went on to say that tourism was the recipient of philanthropy, with 100% of private dollars going into the Aquarium and the Children's Museum, and it appears that we will be adding to the Aquarium and Hunter's Museum. Mayor Corker stated that they were beginning work on a concept—that the tourism industry benefits from the Trade Center with the city paying 2/3rds of the debt service; that this has caused the tourism industry to be healthy. He stated that we wanted to look at a way of financing this where our taxpayers do not pay—that our citizens do not pay our Hotel/Motel tax and tourism can participate. He went on to say that this Plan would add to the quality of life and many Chattanoogaans would benefit daily from the restaurants and parks.

With this in mind, Mayor Corker stated, they had worked with the tourism industry and Howard Toy of the industry had been very cooperative. He recognized the presence of Mr. Toy and also Mike Wild, who is with the Convention and Visitors Bureau. He stated that they had been looking at this and next week there would be an actual Resolution, itself.

He went on to say that the State had passed a sales tax increase; that the County already had a \$.04 Hotel/Motel tax in place; that he knew these improvements were of concern to them, and he was absolutely excited about this Plan and what it would do for the tourism industry in Chattanooga; that it will continue to expand the Chattanooga experience. He stated that some were concerned about all of these taxes hitting at one time; that there are a lot of big undertakings, but we don't want to take away one cent from our citizens; that he was proposing a Hotel/Motel tax immediately, with the tax "maxing" out when the project opens. He stated that the only way to fund this was to have a \$.04 tax and work with the tourism industry to do a phase-in, with \$.02 and then \$.03; that we would issue the bonds, pay interest only, and it would be May 2005 when this occurs. He stated that he was looking at sending something later this week to the Council, and this would not be "doable" without the \$.04. He stated that the tourism industry was willing to work with us; that the stock market was down and the bond market is extremely well. He added that we would focus on the first three phases of the Plan—Ross's Landing, connection with Hunter Museum, and we were working to find some way to come into ownership of the Roper property.

Chairman Page asked the Mayor if he knew the amount of the bond range.

Mayor Corker responded that he did, but he was hedging a little and mentioned different amortization rates; that we were looking at whether trying to double-barrel it and looking at amortization to see what is appropriate. He asked that the Council give him the liberty of running more calculations; that we want to be sure we have enough money to make sure this Plan occurs and that he was talking about public infrastructure pieces.

Councilman Hakeem noted that this would mean that between the City and County there would be an \$.08 Hotel/Motel tax, with a total tax of twelve and one-half cents.

Mayor Corker responded that on the flip side, there was no income tax and our sales tax is high; that when this tax is fully in place, it will be at the exact same level as Knoxville, Tennessee; that Knoxville had implemented the full \$.08 and all they got for it was a Trade Center. He noted that no one likes a tax, but he saw this as being a benefit.

**Councilman Littlefield made the motion to put this on the Agenda for next week in Ordinance form. This was seconded by Councilman Benson.**

Chairman Page stated that he was excited about the Plan, and the way to pay for it, and that the tourism industry was in favor of this.

At this point, **Mr. Howard Toy** spoke. He stated that this vision was beneficial to the tourism industry and the city as a whole; that there would be new citizens and leaps and bounds in the future. He stated that Mayor Corker made sense—that he had certainly worked with them and listened to them. He stated that we were now experiencing someone’s foresight and vision of 30 years ago and that tourism would greatly benefit from this.

**Mike Wild** spoke next. He stated that the entire River and Waterfront Plan was logical and foresighted; that we have tremendous natural resources in our river and mountains which have never been fully utilized and capitalized on; that anyone can build something man-made but our competitors cannot build a Tennessee River or Lookout and Signal Mountain. He stated that he was involved with the “*Tennessee Sounds Good to Me*” Campaign; that national research would back us up that since 911 people wanted to relax and unwind and escape with natural beauty where they felt comfortable; that Chattanooga had worked fast in making the river totally accessible to our citizens first and now visitors would come and see what we have done; that he felt that this would be a tremendous payback and something our competition can’t do.

Councilman Hakeem stated that we needed to put a little emphasis on Dr. Brown, who had initiated this sales tax with the Hotel/Motel tax, which is making this possible. Councilman Benson added that we had a senator involved in this, too.

Mayor Corker agreed that it is hard to get a Sales Tax Bill; that Representative Brown and Senator Crutchfield took this and that at a recent gathering he had hugged Representative Brown, and he appreciated this leadership.

The meeting adjourned at 5:30 P.M.