

ECONOMIC DEVELOPMENT COMMITTEE

November 13, 2001

4:00 P.M.

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

Others present include Mike Compton and Todd Womack.

UNUM PROVIDENT DEVELOPMENT PLANS

Chairman Page called on Attorney Alfred Smith, who in turn introduced Mike Taylor, Tom White, and Kelly Mitchell. Mr. Smith stated that they would discuss two phases of the new program—the parking garage and new building. He turned the meeting over to **Mr. Tom White.**

Mr. White stated that they started a four-level parking deck on October 26th; that this was a \$12 million dollar project and was the first step to future expansion to the office building. He stated that they were “bursting at the seams” in their current building; that they had 250 employees outside of the campus and had considered plans and viewed Chattanooga as the city in which to expand and a city targeted for growth. He reiterated that the first step is the parking deck for 1000 cars. He explained that they were basically taking the lots on the south side of 4th Street; that this was really the first step to long-range development, and they were excited about this project. He stated that he had been with the company for 20 years and at this point distributed hand-outs (which are made a part of the minute material). He pointed out pictures of the parking structure on pages 5 and 6 but stated that page 7 was the telling thing—for point of reference they have about 2900 employees in two office buildings; they need to expand. Mr. White stated that the new building would house 1200 people, and the first step is the parking structure. He stated that he would be happy to answer questions.

Councilman Franklin asked the present number of employees and what they expected over five years. Mr. White responded that they had 2916 present employees and asked Councilman Franklin to look at the growth pattern.

Mr. Taylor stated that the most current projections were a growth of 250 employees over the next year. Councilman Franklin asked if this was in any particular area. Mr. White stated that it was in Claims and Customer Service.

Councilman Page asked about sensitivity to recession trends. Mr. White responded that one of the things they were seeing was a closer look at benefits and no one had pulled back; that individuals are paying premiums and more companies are offering them to employees. Mr. White went on to say that one negative thing was tending to see an increase in disability claims, and it was hard to say if this was because of recession. He stated that they were feeling a little impact but nothing materially.

Councilman Taylor asked about the growth—if the positions would be filled by locals in Chattanooga. Mr. White responded that it would be a balance of the two; that new jobs would be opening up that would be good jobs; another element would be that there would be some consolidation and positions would be offered within the company. Councilman Taylor asked to look at new jobs available and asked the type of training that would be needed to prepare people to move in. Mr. White responded that they would need a fairly heavy medical comprehension such as nursing and rehabilitation; that Claims people were folks with a medical background. He stated that they had been talking to UTC about an insurance curriculum; that 20% of their new hires would come out of UTC. He stated that they were a big employer and were talking to them about an insurance curriculum. Mr. Taylor of Provident added that there would be supplemental training within the company in respect to claims operation; that they did some of the training themselves. Mr. White added that there was a certain procedure that they wanted to follow. Councilman Taylor stated that after hearing bad news, it is good to hear about expansion.

Councilman Lively stated that he was glad to have expansion for Chattanooga and wanted to help them reach their goals and made the motion that this be approved. This was seconded by Councilman Hakeem.

Councilman Page stated that he would like for Mr. Smith to tell the Council what he was asking for. Mr. Smith responded that it was a pilot arrangement for the City Bond Board to take title and lease the property back to Unum Provident; that they would pay 25% of the normal tax for two 15 year periods—one for the parking deck and one for the building. He reiterated that it would be 25% of what they normally would pay for two separate 15 year terms. He stated that this was a more aggressive abatement than normal, but it was competitive for this project.

Councilman Hakeem stated that we often hear about Hamilton County being progressive; that he was of the opinion that this shows what partnership is about, and he thanked Unum Provident for making this investment.

Councilman Taylor stated that he might miss using this parking lot for Riverbend. Mr. White stated that this adds a small number of spaces, and it could be made available for downtown events.

Chairman Page asked that the 15 years be clarified. Mr. Smith responded that the parking garage will be built within the next year and this will be for 15 years beginning with 2003 for the pilot arrangement; the building will be started in 2004 and will also encompass a 15-year period, which makes two 15-year periods.

Chairman Page asked for comments on the new building. Mr. White responded that it was a significant part of the long-range development; that they needed space for people in close proximity, and this would give them the opportunity to expand. He stated that they needed to get the parking deck done first logistically and once it is finished, the building would be started. He stated that it should be early December of next year. Mr. Taylor added that it was beyond the conceptual stage.

Councilman Pierce expressed appreciation for what they were doing.

Councilman Lively noted that it was a \$12 million dollar parking garage and asked what the total project would be. Mr. Taylor responded \$45 million dollars.

Chairman Page stated that this would be recommended to the full Council this evening; that this was a great partner for Chattanooga, and they had the City's full support. He added that he liked to see new jobs here. He asked what was happening in regards to a Research Institute. Mr. Taylor responded that this was not on the front burner but that they were still interested. Chairman Page thanked them for being with the committee.

CITY CREDIT CARDS AND CHANNEL 9 TV STORY

Councilman Benson stated that he had a procedural question in regards to the "thing" on Channel 9 TV. He asked Councilman Taylor to ask Mr. Boney to come to the Budget and Finance Committee next week to address the committee regarding credit cards. He stated that this program posed questions, and he had had phone calls about it; that he would like to know what kind of control we have on them; that it could have been misrepresented but listening closely, it seemed like we owed the amount of \$700.00 in late charges; that if this has been settled, the Council needs to know about it. He stated that we needed to make certain there are controls on spending.

Chairman Page stated that we would suggest that Mr. Boney review this and correct any erroneous things we heard on TV.

Councilman Taylor asked if we would be able to get a copy of the documentary.

It was noted that Mike Compton was present and Councilman Benson suggested that he might be able to give us an answer.

Mr. Compton stated that the only issue was the \$700 late charge; that our process takes so long and in that period of time interest accrues on the balance. He stated that they showed a map of various places in the United States, questioning if there was something wrong in going to San Francisco. He noted that one of the employees mentioned had estimated the hotel cost, and it had proved to be more. He stated that he was not aware of any wrongdoing.

Chairman Benson stated that no elected officials were mentioned. He asked how many city credit cards were out. Mr. Compton responded that there were 13.

Chairman Page noted that Adm. Boney would be asked to give us an overview of financial controls.

The meeting adjourned at 4:30 P.M.