



City Council Building  
Chattanooga, Tennessee  
**COUNCIL MEETING MINUTES**  
February 28, 2017  
6:00 PM

**CALL TO ORDER**

Council Chairman Moses Freeman called the meeting to order with Vice Chair Jerry Mitchell and Council members Chris Anderson, Carol Berz, Russell Gilbert, Larry Grohn, Yusuf Hakeem, Chip Henderson and Ken Smith all present. Phil Noblett, Deputy City Attorney, and Nicole Gwyn, CMC, Council Clerk, were also present.

**PLEDGE OF ALLEGIANCE**

Councilwoman Berz led the Assembly in the Pledge of Allegiance.

**APPROVAL OF LAST MINUTES**

**On motion of Councilman Anderson and seconded by Councilman Henderson**, the minutes of the last meeting (February 21, 2017) were approved as published.

**SPECIAL PRESENTATION**

***Social Work Month Proclamation 2017***  
**By Councilwoman Berz and Dr. Valerie Radu**

Councilwoman Berz presented the following proclamation to Dr. Valerie Radu, Executive Director of the Family Justice Center:

**Whereas:** The primary mission of the Social Work profession is to enhance well-being and meet the basic needs of all people, especially the most vulnerable; and

**Whereas:** Social Workers embody this year's Social Work Month Theme, "Social Workers Stand Up!," by serving and empowering millions of Americans each day; and

**Whereas:** Social Workers embody the theme of this year's World Social Work Day on March 21, 2017, "Promoting Community and Environmental Sustainability," by working with individuals, organizations and local and federal government to improve communities and protect the environment; and

**Whereas:** Social Work is one of the fastest growing careers in the United States, with almost 650,000 members of the profession; and

- Whereas:** Social Workers work in all areas of our society to improve happiness, health and prosperity, including in government, schools, universities, social service agencies, communities, the military and mental health and health care facilities; and
- Whereas:** Social Workers have pushed for decades to ensure equal rights for all, including women, African Americans, Latinos, people who are disabled, people who are LGBTQ and various ethnic, cultural and religious groups; and
- Whereas:** Social Workers have been behind and continue to advocate for legislation that reduces racial discord, including renewal of the Voting Rights Act, The Violence Against Women's Act, The Civil Rights Act, the Affordable Care Act, Medicaid, unemployment insurance, workplace safety and Social Security benefits; and
- Whereas:** Social Workers are the largest group of mental health care providers in the United States, and work daily to help people overcome substance use disorders and mental illnesses such as depression and anxiety; and
- Whereas:** Social Workers deploy across the United States and the world, helping people overcome earthquakes, floods, wars, and other disasters and return to peace and prosperity:

## *Now Therefore,*

I, Andy Berke, Mayor of the City of Chattanooga, do hereby  
proclaim March 2017 as

## *Social Workers Month*

In Witness Whereof, I have hereunto set my hand and caused the  
Seal of the City of Chattanooga to be affixed this the  
27<sup>th</sup> day of February, 2017

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*Andy Berke, Mayor*

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After the proclamation, Dr. Radu gave the following highlights on the social work profession:

- The Department of Labor ranks social work as one of the fastest growing professions;
- The Department of Veterans Affairs is the largest employer of social workers;
- There are 400 professional social workers in Chattanooga, five of which work at the Family Justice Center.

She also highlighted one FJC employee, Patty Childers, who is a licensed professional social worker, and thanked her for contribution at the center.

**ORDINANCES – FINAL READING:**

2017-014  
Joseph Ingram and Sergey Lyashevskiy  
Alternate Version  
District 4

On motion of Councilman Grohn and seconded by Councilman Anderson,

**ORDINANCE #13161**

**AN ORDINANCE TO AMEND CHATTANOOGA CITY CODE, PART II, CHAPTER 38, ZONING ORDINANCE, SO AS TO REZONE PROPERTIES LOCATED AT 7712 AND 7716 SHALLOWFORD ROAD, MORE PARTICULARLY DESCRIBED HEREIN, FROM R-1 RESIDENTIAL ZONE TO RT-1 RESIDENTIAL TOWNHOUSE ZONE, SUBJECT TO CERTAIN CONDITIONS.**

**ACTION: APPROVED**

2017-015  
Joseph Ingram and Marco Investments  
Planning Version  
District 7

On motion of Councilman Anderson and seconded by Councilman Grohn,

**ORDINANCE #13162**

**AN ORDINANCE TO AMEND CHATTANOOGA CITY CODE, PART II, CHAPTER 38, ZONING ORDINANCE, SO AS TO REZONE PROPERTY LOCATED AT 2605 EAST 40<sup>TH</sup> STREET, MORE PARTICULARLY DESCRIBED HEREIN, FROM R-2 RESIDENTIAL ZONE TO M-1 MANUFACTURING ZONE, SUBJECT TO CERTAIN CONDITIONS.**

**ACTION: APPROVED**

MR-2017-019  
Byron Defoor/  
Lifestyle Way Property Investment  
Planning Version  
District 4

On motion of Councilman Grohn and seconded by Councilman Smith,

**ORDINANCE #13160**

**AN ORDINANCE CLOSING AND ABANDONING A SEWER EASEMENT LOCATED AT 2334 AND 2336 ELAM LANE, AS DETAILED ON THE ATTACHED MAP.**

**ACTION: APPROVED**

**ORDINANCES – FIRST READING:**

2016-184  
Claudio Costa  
Planning Version  
District 3

**AGENDA ITEM VI(a):**

**AN ORDINANCE TO AMEND CHATTANOOGA CITY CODE, PART II, CHAPTER 38, ZONING ORDINANCE, SO AS TO REZONE PROPERTY LOCATED AT 4823 WINDING LANE, MORE PARTICULARLY DESCRIBED HEREIN, FROM R-1 RESIDENTIAL ZONE TO R-3 RESIDENTIAL ZONE.**

Councilman Smith asked the developer to address the Council on this rezoning. Mr. Costa updated the Council on his communications with the community while the item was deferred and, as a result, asked the Council to withdraw this item. **Councilman Smith moved** to withdraw, seconded by Vice Chair Mitchell. The motion carried.

**ACTION: WITHDRAWN**

MR-2017-020  
McCallie Commons, LLC  
Planning Version  
District 8

On motion of Councilman Hakeem and seconded by Councilman Henderson,

**ORDINANCE #13163**

**AN ORDINANCE CLOSING AND ABANDONING A PORTION OF THE UNOPENED ALLEY OFF OF THE 600 BLOCK OF O'NEAL STREET TO ALLOW FOR CONSTRUCTION OF A STUDENT HOUSING DEVELOPMENT, AS DETAILED ON THE ATTACHED MAP, AND SUBJECT TO CERTAIN CONDITIONS.**

**ACTION: PASSED ON FIRST READING**

On motion of Councilman Anderson and seconded by Councilwoman Berz,

**ORDINANCE #13164**

**AN ORDINANCE TO AMEND ORDINANCE NUMBER 10098 CLOSING AND ABANDONING VINE STREET LOCATED BETWEEN THE SOUTHEASTERN LINE OF DOUGLAS STREET AND THE NORTHWESTERN LINE OF PALMETTO STREET BETWEEN MCCALLIE AVENUE AND EAST 5TH STREET FOR THE UNIVERSITY OF TENNESSEE AT CHATTANOOGA.**

Chairman Freeman introduced Dr. Richard Brown of UTC discussed the need for this request. He also provided two new maps for adding to the ordinance. Attorney Noblett confirmed with the Clerk that the new maps would be added to the ordinance. The motion carried.

**ACTION: PASSED ON FIRST READING**

**RESOLUTIONS:**

On motion of Councilman Anderson and seconded by Councilman Hakeem,

**RESOLUTION #28946**

**A RESOLUTION AUTHORIZING THE ADMINISTRATOR FOR THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT TO APPLY FOR AND, IF AWARDED, ACCEPT A LEAD BASED PAINT HAZARD CONTROL (LBPHC) GRANT, IN THE AMOUNT OF \$2,500,000.00, AND THE LEAD HAZARD REDUCTION DEMONSTRATION (LHRD) GRANT, IN THE AMOUNT OF \$400,000.00, FOR RESIDENTIAL LEAD BASED PAINT REMEDIATION WORK TO BENEFIT LOW TO MODERATE INCOME FAMILIES, FOR A TOTAL AMOUNT OF \$2,900,000.00.**

**ACTION: ADOPTED**

On motion of Councilman Henderson and seconded by Councilman Anderson,

**RESOLUTION #28947**

**A RESOLUTION AUTHORIZING THE CHIEF OF THE CHATTANOOGA POLICE DEPARTMENT TO ENTER INTO AN AGREEMENT WITH TRITECH SOFTWARE SYSTEMS FOR ANNUAL SUPPORT AND MAINTENANCE OF THE CHATTANOOGA PD MOBILE (TCR#37) FOR THE PERIOD OF FEBRUARY 1, 2017 THROUGH JANUARY 31, 2018, FOR AN AMOUNT NOT TO EXCEED \$77,000.00.**

**ACTION: ADOPTED**

On motion of Councilman Henderson and seconded by Councilman Smith,

**RESOLUTION #28948**

**A RESOLUTION AUTHORIZING THE APPROVAL OF CHANGE ORDER NO. 1 (FINAL) TO SMITH CONTRACTORS, INC. OF LAWRENCEBURG, KY, RELATIVE TO CONTRACT NO. W-11-007-202, MOCCASIN BEND WWTP EFFLUENT DISINFECTION SYSTEM UPGRADE, A CONSENT DECREE PROJECT, FOR AN INCREASED AMOUNT OF \$52,983.86, TO RELEASE THE REMAINING CONTINGENCY OF \$347,016.14, FOR A REVISED CONTRACT AMOUNT NOT TO EXCEED \$8,043,733.86.**

**ACTION: ADOPTED**

On motion of Councilwoman Berz and seconded by Councilman Anderson,

**RESOLUTION #28949**

**A RESOLUTION AUTHORIZING THE APPROVAL OF CHANGE ORDER NO. 3 FOR CTI ENGINEERING, INC. (WITH SCS ENGINEERS AS SUB) RELATIVE TO CONTRACT NO. C-13-001-101, PROFESSIONAL SERVICES FOR LANDFILL DEFICIENCY RECOMMENDATIONS AND REPAIRS, FOR AN INCREASED AMOUNT OF \$204,500.00, FOR A REVISED CONTRACT AMOUNT NOT TO EXCEED \$578,500.00.**

Councilwoman Berz asked Donald Stone, Deputy Administration of Public Works, to discuss the increase. He explained how it would help get the city back into compliance. Councilman Grohn expressed his displeasure with the amount of the increase. Upon no further questions or comments, the motion carried.

**ACTION: ADOPTED**

On motion of Councilman Anderson and seconded by Councilman Mitchell,

**RESOLUTION #28950**

**A RESOLUTION AUTHORIZING THE WAIVER OF THE USE FEE AND DAMAGE DEPOSIT FEE IN THE AMOUNT OF \$1,000.00 FOR THE BOY SCOUTS OF AMERICA PINEWOOD DERBY AT THE WALNUT STREET BRIDGE FOR AN EVENT ON MARCH 11, 2017.**

**ACTION: ADOPTED**

On motion of Councilman Anderson and seconded by Councilwoman Berz,

**RESOLUTION #28951**

**A RESOLUTION AUTHORIZING THE APPROVAL OF CHANGE ORDER NO. 5 (FINAL) FOR HDR ENGINEERING, INC. RELATIVE TO CONTRACT NO. E-10-012-101, ROSS'S LANDING PARK IMPROVEMENTS AND REPAIRS, PHASE 3 ADDITIONAL WORK, FOR AN INCREASED AMOUNT OF \$99,500.00, FOR A REVISED CONTRACT AMOUNT NOT TO EXCEED \$1,200,640.72.**

**ACTION: ADOPTED**

On motion of Councilman Anderson and seconded by Councilwoman Berz,

**RESOLUTION #28956**

**A RESOLUTION AUTHORIZING THE APPROVAL OF CHANGE ORDER NO. 3 (FINAL) TO SMITH CONTRACTORS, INC. OF LAWRENCEBURG, KY, RELATIVE TO CONTRACT NO. E-10-012-201, 21<sup>ST</sup> CENTURY WATERFRONT ROSS'S LANDING RIVERFRONT PARK IMPROVEMENTS, FOR AN INCREASED AMOUNT OF \$52,560.00, FOR A REVISED CONTRACT AMOUNT NOT TO EXCEED \$6,278,943.06.**

**ACTION: ADOPTED**

On motion of Councilman Hakeem and seconded by Councilman Smith,

**RESOLUTION #28952**

**A RESOLUTION AUTHORIZING THE ADMINISTRATOR FOR THE DEPARTMENT OF PUBLIC WORKS TO ENTER INTO AN AGREEMENT WITH HDR ENGINEERING, INC. FOR PROFESSIONAL SERVICES RELATIVE TO CONTRACT NO. S-16-010, WATER QUALITY PROGRAM RATE STUDY, FOR A TOTAL AMOUNT NOT TO EXCEED \$364,694.00.**

The motion carried, with Councilman Grohn voting “No.”

**ACTION: ADOPTED**

On motion of Councilman Anderson and seconded by Councilman Hakeem,

**RESOLUTION #28953**

**A RESOLUTION AUTHORIZING THE ADMINISTRATOR FOR THE DEPARTMENT OF TRANSPORTATION TO ENTER INTO A PARTNERSHIP AGREEMENT WITH DEFOOR BROTHERS DEVELOPMENT, LLC, PROJECT NO. T-16-014, FOR THE 8TH STREET ROAD IMPROVEMENTS PROJECT AND TO ACCEPT A CONTRIBUTION OF \$300,000.00 TOWARDS THE COST OF DESIGN SERVICES AND ROAD IMPROVEMENTS.**

**ACTION: ADOPTED**

On motion of Councilman Anderson and seconded by Councilman Smith,

**RESOLUTION #28954**

**A RESOLUTION AUTHORIZING THE ADMINISTRATOR FOR THE DEPARTMENT OF TRANSPORTATION TO ENTER INTO AN AGREEMENT WITH THOMAS BROTHERS CONSTRUCTION RELATIVE TO CONTRACT NO. T-16-014-201 FOR THE CONSTRUCTION SERVICES ASSOCIATED WITH THE 8<sup>TH</sup> STREET ROAD IMPROVEMENT PROJECT, IN THE AMOUNT OF \$679,500.00, WITH A CONTINGENCY AMOUNT OF \$67,950.00, FOR A TOTAL AMOUNT OF \$747,450.00.**

**ACTION: ADOPTED**

On motion of Councilwoman Berz and seconded by Councilman Gilbert,

**RESOLUTION #28955**

**A RESOLUTION AUTHORIZING THE ADMINISTRATOR FOR THE DEPARTMENT OF TRANSPORTATION TO ENTER INTO A PARTNERSHIP AGREEMENT WITH COCA-COLA UNITED AND TO ACCEPT \$260,000.00 FOR COSTS ASSOCIATED WITH SIDEWALKS.**

**ACTION: ADOPTED**

## DEPARTMENTAL REPORTS:

### Purchases

Bonnie Woodward, Purchasing Director, briefed the Council on the following purchases:

**R147218 - General Services** Estimated \$210,710 Annually

New Blanket Contract for Bulk Fuel Trucks –  
Fleet Management

Lowest/Best Bidder: Lee-Smith Inc.  
2600 8th Ave.  
Chattanooga, TN 37407

**PO531100 - General Services** Estimated \$100,000 Annually

Blanket Contract Renewal for Elevator, Escalator  
& Lift Maintenance - General Services

Lowest/Best Bidder: Oracle Elevator Company  
dba Chattanooga Elevator Company  
117 Nowlin Lane, Ste. 900  
Chattanooga, TN 37421

**R148006 - Public Works** \$40,509.00

Purchase of Two (2) Gas Compressors –  
Waste Resources Division

Lowest/Best Bidder: Gardner Denver Nash  
c/o E.W. Klein & Company  
2414 Black Gold Court  
Houston, TX 77073

**PO531221 - Public Works** Estimated \$100,000 Annually

Blanket Contract Renewal for Air/Vacuum Relief  
Valve Maintenance & Support - Public Works

Lowest/Best Bidder: H&H Brown, Inc.  
1803 Polk St.  
Chattanooga, TN 37408

**PO519941 - Transportation** Estimated \$60,000 Annually

Blanket Contract Renewal for Speed Cushions Transportation

Lowest/Best Bidder: Traffic Logix Corp.  
3 Harriet Lane  
Spring Valley, NY 10977

Chairman Freeman had questions about R147218 and inquired about the vendor going out of business. Councilman Smith noted that only one division of the company was being closed. Ms. Woodward also stated her knowledge that the vendor was not out of business; however, she offered to confirm directly with the company that all contents of the bid response were valid. Upon no further questions or comments, **Councilman Anderson moved** to approve, seconded by Councilwoman Berz. The motion carried.

**ACTION: ALL PURCHASES APPROVED**



## **OTHER BUSINESS:**

### **MouthMobile Services for Vets**

Councilman Henderson announced that the Southeast Tennessee Veterans Coalition has partnered with Aspen Dental to bring "MouthMobile," a mobile dental office, to Chattanooga on March 16, 2017 to serve veterans in the area. For information, call Bill Chapman at (423) 634-1771 or email bill.setnvetcoal@gmail.com.

### **Fire Station #5**

Councilman Hakeem expressed his appreciation for Districts 7, 8 & 9 and Administration's efforts regarding a new fire hall. He then announced the Groundbreaking Ceremony for Station #5 on Monday, March 6, 2017 at 11:00 a.m. at the corner of Vance Avenue and Willow Street.

## **COMMITTEE REPORTS:**

### *Audit & I.T. Committee*

Councilman Grohn  
(No report)

### *Budget and Finance Committee*

Councilwoman Berz  
(No report)

### *Economic and Community Development Committee*

Councilman Anderson  
(No report)

### *HR Committee (Human Resources)*

Vice Chair Mitchell  
(No report)

### *Planning & Zoning*

Councilman Hakeem

- The committee met today to hear planning and zoning items set for hearing on March 14. The Council will have an opportunity for additional information on March 14 on all items.

### *Public Safety Committee*

Councilman Henderson  
(No report)

### *Public Works and Transportation Committee*

Councilman Smith

- The committee met today to discuss items voted on this evening.
- The committee will meet in two weeks (March 14) following the Agenda Session.

### *Youth and Family Development Committee*

Councilman Gilbert  
(No report)

## RECOGNITION OF PERSONS WISHING TO ADDRESS COUNCIL (Non-Agenda Items)

Attorney Noblett read the rules of procedure for persons wishing to address the Council on non-agenda items. After which, Chairman Freeman recognized the following persons:

- **Darryl Silvey (Battery Place)** – He stated that he had lived on Battery Place for 39 years. Battery Place Street was once a 2-way street that they city closed off and made into a 1-way street. Three year ago, the street was “invaded,” as he put it, by UTC students. He asked the Council to make Battery Place permit-parking only. Mr. Silvey also informed the Council that he had a petition with 32 signatures of individuals asking for permit-only parking.
  - CA stated that he had tried calling Mr. Silvey and was aware of Mr. Silvey’s communications with the Transportation Department on this matter. He asked to meet with Mr. Silvey after tonight’s meeting to discuss setting up a community meeting.
- **Tresa McCallie (Accountability for Taxpayer Money)** – Her husband distributed copies of a letter from ATM regarding the sale of a parking lot at 1200 King Street. *[Full document is attached.]* She noted that she would read an excerpt from the document. She requested clarity from the CDRC on the RFP for this property. She also questioned if a public/private partnership was discussed; if the lot would be used for private development since it is located near a hotel; and if the property would be sold without spelling out details in the RFP. She also questioned why the CDRC is not selling the property at its current value or keeping it to meet the city’s parking needs.
- **Helen Burns-Sharp (ATM)** – She reminded the Council about the three questions that ATM had previously asked the Council regarding the Alstom PILOT and settlement discussed last month. *[Full document is attached.]* She requested clarity on the following: In light of the upcoming election, she expressed ATM’s appreciation and respect for the current Council and highlighted the current PILOT program.
- **Gary Ball (Tower Construction)** – He informed the Council that the State of Tennessee called him today to clarify the States position on Hydrologic Determination and distributed an email to the Council from the State about their policy. He noted that the stormwater ordinance has sections on waters of the State and wet weather conveyance. He stated that residential lots are exempt, according to the ordinance. He believes the city should be responsible for the HD survey on the drainage at residential developments.
  - Chairman Freeman asked Attorney Noblett to speak with Mr. Ball after the meeting.

## **ADJOURNMENT**

**On motion of Councilman Anderson**, Chairman Freeman adjourned the meeting of the Chattanooga City Council until Tuesday, March 14, 2017, at 6:00 p.m. [No Council meeting is scheduled for March 7, 2017.]

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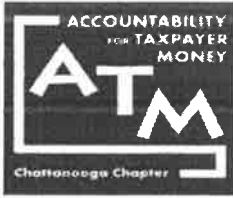
**CHAIRMAN**

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**CLERK OF COUNCIL**

ATTACHMENTS:

ATM Documents #1 (re: parking lot on King Street)  
ATM Documents #2 (re: Alstom proposed settlement)



ATM requested clarity and transparency from the Chattanooga Downtown Redevelopment Corporation regarding a **parking lot** it now owns at 1200 **King Street** across from the Development Resource Center. We wanted to understand what the CDRC is proposing and the possible cost implications down the road. If the corporation envisions a public/private partnership, we hoped they would say so and explain the benefit to the public.

The CDRC passed a resolution on **February 22, 2017** authorizing the issuance of a Request for Proposals (RFP) for this property "for the development of a parking garage...." The Contract for Sale and Purchase attached to the RFP states that the CDRC is interested in selling the property, with no mention of a parking structure or a minimum price for the sale.

### Background

In 2007 the City bought this 0.66-acre parking lot from developer/architect Thomas Johnson, who owned the St. John's hotel building across King Street. The City paid \$195,000 plus closing costs. The City bought this lot to accommodate fleet and employee parking associated with the city/county DRC building across the street.

In July of 2016, the City Council declared the property "**surplus**" and sold it to the CDRC in September at no charge. The dictionary defines "surplus" as "more than what is needed or used; excess." This parking lot can accommodate about 75 vehicles. During the workday, it is usually filled to capacity with city fleet and city employee vehicles. ATM is puzzled by the use of the term "surplus" when describing this property.

ATM Questions: Did the Berke Administration staff provide a written recommendation to City Council about why they believed the property should be declared surplus? Was Council made aware that the City had purchased the property and that it was well utilized? Did staff mention the possibility of establishing a minimum price for the property? Did they mention the possibility and implications of a possible public private partnership for a parking garage? (Nick Wilkerson of the ECD Department briefed the Council at the July 26 agenda session. The video of that meeting is missing his portion of the meeting. No one at City Hall can find Mr. Wilkerson's PowerPoint presentation.)

CDRC Meeting Update: Member (and Chief of Staff) Stacy Richardson said the Council declared the property surplus so it could be used for a higher and better use and be put back on the tax rolls. She said the City could find another place for the fleet vehicles currently parked there. (She did not mention where the employees currently parking there would park.) She said the city had been approached by a number of potential buyers. She said it had to be declared surplus for the CDRC to own.

### Private Sector Interest

In 2016 and early 2017 the *Times Free Press* reported on plans by developer Hiran Desai, who leads an investment group interested in developing properties they own near the city parking lot. His parcel closest to Market Street is earmarked for a new Moxie Hotel and would likely involve the demolition of a small brick building.

The parcel between the "Moxie" and the city parking lot to the north is currently home to a large warehouse Mr. Desai may convert into about 100 apartments, with a microbrewery on the ground floor. The newspaper article in July 2016 said Mr. Desai plans to buy the city lot. "The developers are looking to lease back 75 parking spaces for city employees, perhaps with a parking garage and perhaps lease it back with a parking garage." The newspaper article in January 2017 states: "developers will only repurpose the storage building if the city agrees to let him use a roughly half-acre, city-owned parking lot basically free of charge...." He said he told city officials; "If you don't give it to us, we'll just keep it as a storage building."

### Conclusion

It is understandable why the developers are interested in the city parcel. It is understandable why the city would like for this area to be redeveloped. It is understandable why a parking structure might be envisioned. But several aspects of this possible "transaction" deserve more scrutiny.

Why is the RFP for a parking structure, while the attached "Contract for Sale or Purchase" does not mention a parking structure?

CDRC Meeting Update: Assistant City Attorney Valerie Maleug said at the February 22 meeting that the RFP uses a boilerplate contract as a template. If a sale is made, "details" would then be worked out.

ATM comment: Why would the city sell an asset likely worth at least \$250,000 that they are using unless some details had been spelled out in the RFP or bid documents? The City paid \$195,000 to purchase this property 10 years ago. If the City/CDRC sells it, wouldn't they want to sell it for at least that amount or its current appraised value? Or state in the contract that the buyer agrees to lease back 75 spaces at little or no charge to the city for a long period of time?

The city lot is in the same area where residents of the apartments and patrons of the brewpub would likely park. The hotel will need to provide some parking. The overall private parking demand seems to suggest a structure.

If a parking structure is built, is there an anticipated financial role for taxpayers, who are already involved in garages at the Choo Choo (CARTA), the Chattanooga Hotel, the Trade Center, CARTA near the Aquarium and River Pier Landing? Is a King Street garage is being contemplated as a public-private partnership?

CDRC Meeting Update: No answer to this question at the meeting.

A \$250,000 **parking study** is underway, looking at parking problems and solutions in the downtown. How does King Street fit into that study?

CDRC Meeting Update: No answer to this question at the meeting.

Did the CDRC consider using the **competitive bid** process rather than an **RFP** or are they using both? Sometimes the RFP process is used when other factors will be considered in the selection of the buyer in addition to price or only one source is being solicited.

Proposals, unlike bids, are not opened publicly. Proposals would be forwarded to the CDRC's Proposal Evaluation Committee (is it the board?) for review, analysis, and award recommendation. Can the public find out the proposal evaluation criteria?

Meeting Update: The CDRC will review "proposals" at a future meeting.

The **legal notice** published February 27 in the *Times Free Press* references "proposals for a purchase" of the property and then refers to a 'bid.'

ATM Comment: We recognize the City has discretion in how they sell "surplus" real estate, provided it is in the city's best interest. Will this deal turn out to be in the city's best interest? We hope so.

ATM-- February 28, 2017

**County:** Hamilton  
**Printed In:** Chattanooga Times Free Press  
**Printed On:** 2017/02/26

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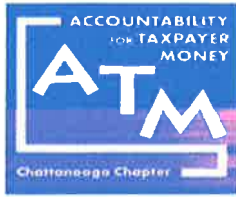
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## **Public Notice:**

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Legal NoticeProposals will be received by the City of Chattanooga, Purchasing Department, 101 East 11th Street, Suite G13, Chattanooga, Tennessee, until:March 9, 2017TIME: 4:00 PM RFP # \_150232\_At that time, Proposals will be accepted for the purchase of:THE PURCHASE OF PROPERTY IDENTIFIED AS: TAX MAP NUMBER 145E-Q-008 LOCATED AT 1200 KING STREET.NON-MANDATORY PRE-BID WALK-THROUGH CONFERENCE AT PROPERTY AT 11:15 A.M. ON MARCH 2, 2017.The City of Chattanooga, at its discretion, may not open a single bid. The City of Chattanooga reserves the right to reject any and/or all bids received, waive any informalities in the bids received, and to accept any bid that, in its opinion, may be for the best interest of the City.The City of Chattanooga will be non-discriminatory in the purchase of all goods and services on the basis of race, color, or natural origin.City of ChattanoogaDeidre Keylon, Buyerdmkeylon@chattanooga.govPhone (423) 643-7231Fax (423) 643-724420170227

**Public Notice ID: 23982076**



ATM Alstom Comments at City Council  
February 7, 2017

A draft settlement agreement with GE/Alstom is on your Council agenda next week to resolve issues relating to their PILOT agreement in light of the plant closure.

In the few hours we have had to review the document, ATM offers the following observations for your consideration.

WHEREAS, the City, County, Board, Alstom Power, Inc. and Alstom Power Turbomachines, LLC (collectively, "Alstom") entered into a Payments in Lieu of Ad Valorem Taxes Agreement and an Escrow Agreement, which were both executed on March 30, 2008 and amended on July 8, 2015 (the "PILOT, Letter Amendment, and Escrow Agreements," **attached hereto as Exhibits 1, 2, and 3**) (emphasis added)

**ATM Comment:** These exhibits are currently not attached to your resolution and were not given to the IDB. It is essential that you understand the obligations of the parties based on previous agreements. For example you have heard that the 2008 clawback language was weak. However, Section 10 (b) in the PILOT agreement is clear and strong about what happens "If the companies close the project...during the term hereof." It says "the City and County reserve the right to require the partial repayment of amounts that would have been payable on the property as if it were subject to property taxes."

Section 10 of the PILOT agreement is the language that the City's outside counsel in Nashville relied upon when he wrote a letter dated November 30 to GE on behalf of the city and county. (Has the Council been given a copy of that letter? Please request one if you have not.) The (your) attorney said that the amount due the city and county is \$13 million. Why do that attorney and the city and county attorneys now believe that a \$6 million fee is reasonable? Perhaps there is a good explanation. Please find out what it is.

2. Release of GE Parties (proposed settlement agreement). **ATM Comment:** We understand that this agreement is intended to wipe the slate clean relative to present and past claims about property tax obligations. But why would you want to release them from "future" unknown claims that are not even limited to taxes?



The effective date of the PILOT agreement is currently blank in the draft settlement agreement. I believe Mr. Noblett said it would be November 21, 2016. What are the implications, if any, for local government and for the state on what that date is? GE held an online auction December 6 and 7 and sold millions of dollars of the state-of-the-art equipment included in their PILOT investment projection. At the time of the auction, who actually held title to the equipment? Did the auctioneer collect sales tax or did GE/Alstom use the IDB's tax-exempt status?

Thank you for taking your legislative and fiduciary responsibilities seriously.