



**INDUSTRIAL DEVELOPMENT BOARD
MONTHLY MEETING MINUTES
Electronic-Conducted (Virtual) Meeting
Chattanooga, Tennessee
for
March 1, 2021
11:01 a.m.**

Present were H.H. (Skip) Ireland, III (Chair), Jimmy F. Rodgers, Jr. (Vice-Chair), Ray Adkins, Althea Jones (Assistant Secretary), Jelena Butler, and Lance Truett. Absent was James Miller. It was established that a quorum was present virtually in an electronic meeting to conduct business, and the meeting was duly advertised.

Also present were: Phillip A. Noblett (City Attorney); Richard Beeland (ECD); Janice Walwyn; Marie Mott; Will Gaither; Jermaine Freeman (Mayor's Office); Jason Payne (Engineering); Eleanor Liu (Finance); Cynthia Evans (Champion Christian Learning Academy, LLC); Scott Harden (VW); John Wilson (The Chattanooga); Janice Gooden; Eric Asboe and Clay Oliver (CDOT); and Helen Burns Sharp (ATM).

Mr. Ireland called the meeting to order.

MEETING MINUTES APPROVAL

On motion of Mr. Adkins, seconded by Ms. Jelks, the minutes of the February 1, 2021, meeting were unanimously approved as published (6-0) upon roll call vote.

PERSONS WISHING TO ADDRESS THE BOARD

Ms. Helen Burns Sharp, Founder of Accountability for Taxpayer Money "ATM", a public interest advocacy group focused on tax incentives and government transparency, has some comments for the Board. Ms. Sharp asked a question relative to the Charter Amendment expanding the Board from seven to nine members which makes all sorts of sense for reasons we know. Ms. Sharp asked will that require or is that something you do internally where the IDB votes and the Council votes and you take it to the Secretary of State as opposed to when the City Charter is amended and the electorate has to vote on it. There is no vote of the people on this, is that correct? Mr. Noblett stated that is correct. It is this body amending its Charter provisions with the Secretary of State of Tennessee because this is a separate board. It is not an entity of the City of Chattanooga but a separate body. It will make those amendments and then there will be an election of the members by the governing body of the City to be on this body as nine members.

Another comment is relative to the Tubman Site which Mr. Freeman is going to be talking about in a few minutes, as you all know, the paint company is going to be on the back portion of the site and the remainder of the site in the front is a lot entry still owned by the City, a lot of interest to the neighborhood, how that area redevelops. Ms. Sharp imagines that Mr. Freeman will be prepared to give an update on the plans for that redevelopment.

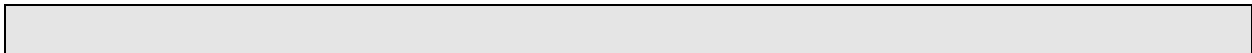
Also, on Hardy Street, which Ms. Sharp thinks is where most of the increment money will be spent, the major road that will go from Roanoke through the site, including the redevelopment site back to the paint company. A question Ms. Sharp has on that: That will provide some access to the remainder, but it seems like she remembers early on some discussion about truck traffic to the paint site coming from the back from Scholar. Can someone speak to that whether or not that is just going to be a general entry road and is truck traffic going to be handled differently? Those are the Tubman questions.

Finally, Ms. Allen last time mentioned there would be – that she was getting with the Chamber and there would be a report to the Board perhaps at this meeting, apparently it is not at this meeting, but wondered if Mr. Freeman knows the status of the PILOT reporting Ms. Allen said we would be getting in addition to normally has gone and will be going to City Council?

Ms. Janice Walwyn (Elder at the Orchard Park Seventh Day Adventist Church and also a Board Member and Financial Officer at the Avondale Seventh Day Adventist School) is interested also in information regarding the Tubman project. Ms. Walwyn is looking forward to hearing the report regarding that.

Mr. Jermaine Freeman will touch on a lot of these questions when he speaks on the items that are on the agenda. Mr. Freeman will also check with Ms. Allen as to where the PILOT reporting stands but if possible, we will try to make that available at the April meeting.

There was no one else present wishing to address the Board.



VOLKSWAGEN FINANCE REPORT

Ms. Eleanor Liu reported that there is very little to report. Since the last meeting there was only one payment in the second MOU section of the sheet in the amount of \$51,163.00. Very little activities for the VW grant. Total percentage spent, encumbered, and contingencies are still at 98.88%. We are in budget.



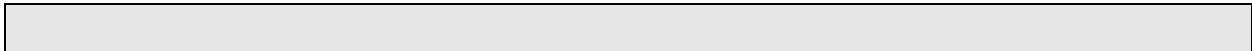
On motion of Mr. Rodgers, seconded by Mr. Adkins,

A RESOLUTION APPROVING THE CHARTER AMENDMENT OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE, TO AMEND THE CHARTER FROM A SEVEN (7) MEMBER BOARD TO A NINE (9) MEMBER BOARD.

Mr. Noblett stated that there is a provision that has been in effect since this Board was initially created. Back in the 60's when the Chattanooga Industrial Development Board was created, there was a five-member City Commission. Over the years, things have changed in that regard and in 1990 there was abutting rights action here in Chattanooga that resulted in a nine-member City Council that is district-oriented instead of just at-large appointments of commission members as it was before.

Over the years, there has been a request by the Council, because this Board's members have to be elected pursuant to Tennessee Code 7-53-301 to this body. The Council actually does that. The Council has made the request here recently to have a nine-member body instead of a seven-member body so that each district would have representation on the Industrial Development Board. That simply requires an amendment to the Bylaws, which this body can request, and we have prepared that documentation to be filed with the Secretary of State in Tennessee that allows that to occur and that would require the appointment of two additional members by the Council so that there would be representation in all nine districts. Mr. Noblett thinks that is a good idea in that regard. There has always been a dispute in the Council when they are trying to elect you as members as the governing body because they may not have someone in every district. That will resolve all of that dispute. We simply need authorization to prepare an amendment to the Charter. Once that Charter amendment has occurred then there will be appointments of two additional members and make sure everybody has a Council district representation.

After further discussion, the motion carried unanimously with (6-0) upon roll call vote.



On motion of Ms. Jones, seconded by Mr. Truett,

A RESOLUTION AUTHORIZING AN AWARD OF A SMALL BUSINESS INCENTIVE GRANT TO CHAMPION CHRISTIAN LEARNING ACADEMY, LLC, IN THE AMOUNT OF SIX THOUSAND THREE HUNDRED EIGHTY AND 02/100 DOLLARS (\$6,380.02).

Cynthia Evans is the owner of Champion Christian Learning Academy (CCLA). This would be the second award to the CCLA by the IDB. Two years ago, Ms. Evans came before the Board with CCLA at the time they had created some initial jobs. Since then, Ms. Evans has been able to continue to grow her child care business located on Brainerd Road. Ms. Evans has a video

to show but wanted to give Ms. Evans a chance to say a few words. Ms. Evans had audio difficulties, however, Mr. Freeman presented a video. Mr. Freeman stated the Application Review Committee is recommending an award of \$6,380.02 which is divided. It is \$3,190.01 for the creation of seven full-time jobs and a matching \$3,190.01 for the reimbursement of eligible expenses associated with the build-out of her facility as they expand to accommodate more children and to potentially hire more teachers in the future. The total award amount is \$6,380.02. This is for the creation of seven full-time jobs as well as the reimbursement of eligible expenses.

Ms. Evans has been a great community partner to work with. She has worked closely with the City of Chattanooga's Office of Early Learning ensuring that the kids that attend her childcare facility have a higher level curriculum. Ms. Evans has worked hard to make sure that she could pay her teachers a fair wage. Ms. Evans was able to speak at this point.

CCLA opened in 2017 and were awarded a grant two years ago. CCLA started out with three children and now have 98. CCLA is continuing to expand. The last time the grant was awarded, Ms. Evans was building out the "baby nest", their building for just non-mobile babies so they do not share the same space with toddlers and preschoolers. CCLA is expanding again on the opposite side for preschool and pre-K. CCLA is located in the inner-City in Brainerd. CCLA tries to provide programs for children extracurricular because their hours are 5:00 a.m. to 8:00 p.m., where they try to accommodate the working mom who may work two jobs or who may work and go to school. CCLA's hours are long. Most times when mom or dad come pick up the children they go straight home and go to bed so CCLA tries to provide them with those extracurricular soccer practices, music and movement, and yoga and gymnastics. They are growing and hoping with these funds CCLA is able to secure more staff. CCLA has hired a significant amount of people even in the pandemic because childcare did not go away because a lot of their parents are considered essential workers. CCLA was able to hire people that lost jobs who were working in restaurants or retail and they are still here today. With the funds, CCLA is able to maintain the staff and also offer more programs for the business because they are continuing to expand.

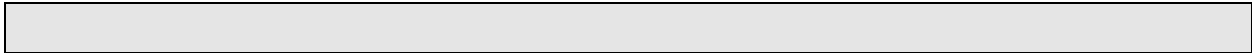
Mr. Freeman stated that it has been a pleasure working with Ms. Evans, watching her grow, and taking advantage of the resources offered by the Office of Early Learning. This has been an initiative asserted by Mayor Berke to create 1,000 new high quality early childhood seats in the City, and Ms. Evans has been a tremendous partner to work with.

Ms. Jones mentioned that she noticed that Ms. Evans and her business were recognized yesterday at Chattanooga Business Elite and congratulations for that. Ms. Evans stated they are also receiving an award on May 10th from Mayor Berke regarding their Seats for Success. During his term, he has done a really big push for early learning. Ms. Evans' relationship with the Office of Early Learning is very significant because she came to Early Learning from Hamilton County. She taught at Hamilton County for 10 years before she left the system and opened up her own preschool. Ms. Evans and the Office of Early Learning have worked together in an effort to provide children with the best service that is going to link them to public schools so it can be a very fluid and smooth transition. On May 10th, they are giving awards to childcare providers who have offered Seats for Success which offer seats for significant learning in the community. Ms. Evans is really proud of the work they do and is hopeful that she is able to receive these funds so that she can make sure she can continue to do this work with the staff.

After further discussion, the motion carried unanimously with (6-0) upon roll call vote.

Mr. Truett asked Ms. Evans that she mentioned this is the second request for funding, are there any additional instruments moving forward where they can find additional funding through the IDB? Mr. Freeman said that the only funding at this time is the Growing Small Business Grant that we provide small businesses which is not specific to any type of industry. Ms. Evans has been able to, and there are other childcare centers, that have taken advantage of funding programs also offered by the Office of Early Learning. The Office of Early Learning has some additional programs along with the State of Tennessee that provide funding to early childcare providers. Those programs are focused on different things. The Growing Small Business Grant that the IDB just awarded is only focused on job creation and capital investment, but there is some other money that childcare providers are able to tap into for the elevation of their curriculum as well as other programing guidelines. This is the only mechanism through IDB for small businesses.

Mr. Truett really appreciates the work that they are doing and is instrumental to see the rapid growth over the last three and a half years is inspiring. Keep that up. He is real excited for that.



OTHER BUSINESS

East Chattanooga TIF
Hardy Street Construction Drawings
Budget and Timeline

Mr. Freeman introduced Mr. Clay Oliver who is the Project Manager for the City's Department of Transportation that will oversee the construction of Hardy Street. The extension of Hardy Street will wind up going into the facility for this project. Mr. Oliver will be coming as a regular fixture at IDB meetings to provide updates on the progress of the construction of Hardy Street in much the same way that Bill Payne and Jason Payne typically provide updates on Enterprise South.

Mr. Freeman stated that the City has started preliminary drawings as well as review of the construction budget and pipelines related to the Hardy Street extension. The Hardy Street Road extension was included in the City's East Chattanooga Rising Tax Increment Financing TIF application and Economic Impact Plan approved by the Chattanooga City Council, the Hamilton County Commission, the IDB, and the State Comptroller's office. This is a non-voting item.

The real estate developer would present drawings and a mock up early in the process, but they could not start working on this until the TIF was approved to make sure the funding was in place. The drawings have started and are now in the process of moving forward.

The drawings are about 30% complete and expect to have the full Hardy Street drawings completed by June 2021. CDOT will be serving as the project manager given this is City-owned property and will be using vendors through our procurement processes. The Hardy Street extension will serve as the main entrance to Nippon Paint Automotive Americas, but it will also provide access for future development of the adjacent City-owned property. There is additional property owned by the Department of Education in case that ever gets redeveloped. Extending Hardy Street increases the connectivity within the neighborhood and rebuilds in the street grid for that area.

Clay Oliver introduced himself to the Board. He will be managing the project on behalf of CDOT. Mr. Ireland asked if most of the drawings the Board saw originally in the presentation stage, are they pretty much intact as far as the idea behind the redevelopment? Mr. Freeman stated he will let Mr. Oliver speak more about the location of the road and sort of the more specifics about the drawings. In general, we are still looking at the same ideas that we originally presented to the Board. At that point was just in an idea phase. There have not been any changes in the original idea. Unfortunately, we have had to delay a lot of the community input because of COVID and a lot of the original community input that was planned to do in-person meetings had to be put on pause because it is very difficult to do that with social distancing requirements. This is a community where access to the internet is challenging, and it is difficult to go to an all virtual form of community engagement as well. We are waiting to do a lot of the community engagement and also realize that we are under a timeline which is part of the agreement with Nippon Paint in terms of making sure we get the road constructed.

This application was approved back in late 2019, and we are starting to see a bit of an increase in costs and the access to materials and labor costs because of COVID conditions. We do anticipate that the budget for the road is going to have to increase. Their original estimate was that we were looking at around \$800,000 for the cost of the road. At this point, we are certainly looking above \$1 million in terms of the cost now and a lot of that is because as time has passed since late 2019, the construction industry as well as a lot of our economic sectors, has seen some strains in terms of the ability to get materials and to source labor during COVID.

Mr. Oliver stated the construction market was trending upwards for a while coming into COVID and things kind of crashed and you would expect to see it go down but has continued to grow through all of this. We are still on track for the project to go out to bid potentially in July 2021, and we would adhere to all City procurement requirements and the City Council would need to approve a winning bid likely in the month of August. We are still on schedule for a completion date of June 2022 for the road to be completed.

Mr. Freeman answered Ms. Sharp's question about the truck traffic. He believes that we are still looking at truck traffic entering from Scholar. Mr. Oliver stated this is primarily being designed to be a connector for light vehicle traffic from Roanoke into the plant and also whenever this development moves forward on the south side of the road to provide access to truck traffic as a more direct path to the area of the plant where the loading zone would be from Scholar. They are planning on running everything through the back of the property.

Mr. Freeman said for those who are not as familiar with the geography of the site, Scholar is a street that is actually sort of in the southwest corner of the Tubman site. It is parallel with the railroad and it is off the beaten path from the main corridor which is Roanoke Avenue.

Mr. Oliver presented the map. An old school is no longer being used. Scholar is in the back comes along the railroad. You have to cross over the rail yard to get into this part of town from Amnicola. They are planning on taking what they can of this and turning it into the factory. Their factory is going to be centered.

Mr. Oliver presented the drawings of Hardy Street. They plan on moving the extension directly from Hardy Street. We had talked about offsetting it a little to maximize the amount of space left. Offset north further towards the property line with the school but in terms of traffic impact creating one, four-way intersection, would provide a lot more flow than providing a fifth, three-way intersection. They will be doing trees across the entire project mostly for traffic calming and also for esthetics. Sidewalk on the backside, a four-foot verge, a seven-foot parking lane, drive lane in both directions, and mirrored on the other side with four-foot verge and sidewalk in the back for providing a hammerhead up at the Nippon end of the project. This is to provide sort of a jumping off point for any future developments whether that be a connection to the school property or into this development being planned on the southern side of the street. They will be doing crosswalks at both ends, one across Roanoke. One thing we talked about that is not on this is also going in and providing ramps for whenever this future development occurs. There is already access in and out of this portion of the site.

Mr. Freeman responded to Ms. Sharp's question. We are still very interested, and we had already planned on doing the community input around the acreage that the City owns and taking that community input and putting it into RFP for a master developer to potentially take over the part of the site that was owned by the City. Because the community input is on hold right now because of COVID, we have not made any progress on issuing the RFPs and are trying to seek them after the developer because we still want to do community input at a time and place safer to do it. There are no current plans on the City portion of the site aside from when it becomes safer for us to do community engagement. We will resume that original plan and do community engagement and issue an RFP for a master developer.



OTHER BUSINESS

Mr. Noblett had a couple of information items to be aware of. Governor Lee's Executive Order No. 78 was sent to the Board. On February 26th, Governor Lee has extended the provisions for electronic meetings. That is the only way we can conduct Zoom meetings but has extended it through April 28th. It helps on our scheduling and want the Board to be aware.

Ms. Madison was bringing it to Mr. Noblett's attention that we have notices from the State Comptroller's office that there is a new annual report on debt to be provided on any bond financing. We are preparing a spreadsheet that was approved in January 2020 where that new type of documentation we have not had to do before. We have to provide a report showing any IDB debt obligations for which the IDB has some type of bond issuance outstanding and any type of conduit debt obligations. We are trying to make sure we are providing them with information on any Tax Increment Financing and where the Board stands on payments back or out and also on any bond issuances. That is ongoing and we will get the Board a copy of that shortly and to make the Board aware it is ongoing. We just received a notification at the end of January.

Mr. Ireland asked Mr. Freeman to make sure we get the information at next month's meeting about where we stand with the outstanding PILOTs and TIFs. Mr. Freeman said we will also need to share that information with City Council. He will double-check with Ms. Allen.

Mr. Noblett stated that we will provide a copy of the report to the State as well to the Board at the next meeting.

After further discussion, the meeting adjourned at 11:40 a.m.



Althea Jones (Apr 7, 2021 09:05 CDT)

ALTHEA JONES, *Secretary*

APPROVED:



H H Ireland III (Apr 7, 2021 08:50 EDT)

H.H. (SKIP) IRELAND, III, *Chair*

**The electronic Zoom presentation is kept on record by the Industrial Development Board.*









03-01-2021 IDB Minutes

Final Audit Report

2021-04-07

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