



**INDUSTRIAL DEVELOPMENT BOARD
MONTHLY MEETING MINUTES
Electronic-Conducted (Virtual) Meeting
Chattanooga, Tennessee
for
April 6, 2020
11:12 a.m.**

Present were H.H. (Skip) Ireland, III (Chair), Jimmy F. Rodgers, Jr. (Vice-Chair), Alan Lebovitz (Secretary), Ray Adkins, Althea Jones (Assistant Secretary), and Jelena Butler. 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); Eleanor Liu (City Finance); Jason Payne and Bill Payne (City Engineering); Charita Allen, Jermaine Freeman, and Richard Beeland (ECD); and Scott Harden (VW).

Mr. Rodgers began acting as Chair with five members present.

MEETING MINUTES APPROVAL

On motion of Mr. Adkins, seconded by Mr. Lebovitz, the minutes of the March 2, 2020, meeting were unanimously approved as published (5-0) upon roll call vote.

ACTION: APPROVED

Ms. Jones was not included at this point.

There was no one present wishing to address the Board.

VOLKSWAGEN FINANCE REPORT

Ms. Eleanor Liu presented the VW report with one payment made in the second MOU for \$2,706,519. This is the very last payment to VW. After that payment is complete, we are done with that grant. The rest of the payments are from the first MOU in the amount of \$26,900. The overall spent, encumbered, and contingencies are at 98.88%. We are within budget.

Mr. Ireland began as Chair, and Ms. Jones was in attendance.

On motion of Mr. Rodgers, seconded by Ms. Butler,

RESOLUTION 2020-04-06(1)

A RESOLUTION AUTHORIZING THE TRANSFER OF FUNDS FROM ACCOUNT NR13 FOR FISCAL YEAR 2019-2020, TO THE ENTERPRISE CENTER IN THE AMOUNT OF FIFTY THOUSAND DOLLARS (\$50,000.00) FOR THE COVID-19 CORONAVIRUS DIGITAL ACCESS PROJECT FOR K-12 STUDENTS IN UNDER-SERVED COMMUNITIES.

A brief presentation was made by Jermaine Freeman on this resolution and is attached as part of these minutes.

The motion carried unanimously with (6-0) upon roll call vote.

ACTION: ADOPTED

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

RESOLUTION 2020-04-06(2)

A RESOLUTION AUTHORIZING THE TRANSFER OF FUNDS FROM ACCOUNT NR14 FOR ECONOMIC FEE PAYMENTS FROM PILOT PROJECTS FOR FISCAL YEAR 2019-2020, TO THE SOUTHEAST TENNESSEE DEVELOPMENT DISTRICT, IN THE AMOUNT OF FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00), FOR EMERGENCY SMALL BUSINESS BRIDGE LOANS FOR BUSINESSES IMPACTED BY COVID-19 CORONAVIRUS EXECUTIVE ORDER CLOSURES.

A brief presentation was made by Jermaine Freeman on this resolution and is attached as part of these minutes.

The motion carried unanimously with (6-0) upon roll call vote.

ACTION: ADOPTED

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

RESOLUTION 2020-04-06(3)

A RESOLUTION AUTHORIZING THE TRANSFER OF FUNDS FROM ACCOUNT NR16 FOR BUSINESS DEVELOPMENT FOR FISCAL YEAR 2019-2020, TO THE CHATTANOOGA CHAMBER OF COMMERCE, IN THE AMOUNT OF TWENTY FIVE THOUSAND DOLLARS (\$25,000.00) FOR A MARKETING CAMPAIGN ON BEHALF OF SMALL BUSINESSES IMPACTED BY COVID-19 CORONAVIRUS EXECUTIVE ORDER CLOSURES.

The motion carried unanimously with (6-0) upon roll call vote.

ACTION: ADOPTED

OTHER BUSINESS

Mr. Noblett stated that at the request of Jason Payne, a Right-of-Entry Agreement would need to be executed by the Chair concerning the re-routing of a gas line at Ferdinand Piech Way Nature Park. They are working with TDOT. This property is in the name of the IDB.

On motion of Mr. Adkins, to approve the execution of the Right-of-Entry Agreement with Chattanooga Gas, seconded by Mr. Lebovitz, the motion carried unanimously (6-0) upon roll call vote.

ACTION: APPROVED


There being no further business, the meeting was adjourned at 12:06 p.m.



Alan Lebovitz (May 4, 2020)

ALAN LEBOVITZ, Secretary

APPROVED:


H H Ireland III (May 4, 2020)

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

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

Small Business Stabilization Relief Fund

Purpose:

Small businesses are facing very tough times in today's environment.

Small business owners are struggling to keep employees on payroll while also paying their fixed costs - all in an environment where they have little to no revenue because they have been explicitly ordered to shut down.

Goal:

To provide an immediate life line to small businesses that have been adversely impacted by executive orders issued by the Governor and Mayor to slow the spread of COVID-19. The goal is to help these small businesses survive until they can receive additional assistance from the federal government via SBA lending or the Paycheck Protection Program.

Why is Helping these Businesses Important?

- Locally-owned small businesses have created a rich tapestry of Chattanooga's entrepreneurial community.
- The presence of these businesses provides a familiarity and authenticity that makes locals proud and attracts tourists.
- If these businesses fold, some will eventually be replaced by larger, corporate-owned establishments that have the resources to expand quickly once this crisis ends.

Proposed Competitive COVID-19 Mitigation Grants

Helps for-profit small businesses with things like rent or payroll. Online applications through the City of Chattanooga.
Review by an evaluation committee. Check distribution by the Chattanooga Chamber of Commerce

Amount: \$2,000 or \$5,000. A business may receive a single grant award.

Uses: Working capital

Eligibility:

- Preference shown to businesses directly impacted by executive orders issued by the government, including restaurants, barbershops, gyms and fitness centers, beauty salons, nail shops, tanning beds, etc.
- Small businesses must be renting or leasing their spaces from third party.
- Must have employed 1-50 employees or workers (full time or part time) as of March 1, 2020.
- Business' primary office/space/shop/facility/warehouse/etc. located within the Chattanooga city limits.
- Located in an office/commercial space for at least one year. (Childcare and senior care exception)
- Grant amounts ranging from \$2,000 to \$5,000.
- Grants available to for-profit businesses only.
- Grants will not be available to businesses that are franchised.
- Grants will not be available to businesses that are affiliated with national or regional brands.

Preferred deadline to apply by: May 31, 2020

Examples of Required Documentation for an Application:

- Completed online application
- Certificate of Existence from the State of Tennessee (if available and applicable)
- Business license from Hamilton County
- Business license from the City of Chattanooga
- A written statement with a description of how the business was adversely impacted by public policies regarding Coronavirus prevention. Must be signed and dated by business owner, manager, or designee
- A written description of how funds will be used.
- Priority will be given to applicants that can show a plan to use the funding to hire or retain workers

Proposed COVID-19 Bridge Loans

Helps for-profit small businesses, specifically those directly impacted by state and local executive orders. Online applications through the City of Chattanooga. Administered by the Southeast Development District.

Recommended Amounts: \$10,000, \$15,000 or \$25,000

A business may receive a single loan award.

Loan Terms:

- Zero percent (0%) interest for the entire loan term.
- No payment required for the first twelve (12) months.
- No balloon payment at the end of the initial twelve (12 month period).
- Loan terms may vary.

Uses: Working capital

Eligibility:

- Must have employed 1-50 employees or workers (full time or part time) as of March 1, 2020.
- Must be located with the Chattanooga city limits.
- Must be located in an office/commercial space. (Exception: Small businesses that are primarily engaged in childcare or senior care services are allowed to be located within homes.)
- Business must have been located in a commercial space for at least one year.

Eligibility: Continued:

- Applicants may be encouraged to apply for additional funding via federal and state programs.
- Loans available to for-profit businesses only.
- Loans will not be available to businesses that are franchised.
- Loans will not be available to businesses that are affiliated with national or regional brands.

Preferred deadline to apply by: June 30, 2020

Examples of Required Documentation for an Application:

- Certificate of Existence from the State of Tennessee (if available and applicable)
- Business license from Hamilton County
- Business license from the City of Chattanooga
- A written statement with a description of how the business was adversely impacted by public policies regarding Coronavirus prevention. Must be signed and dated by business owner, manager, or designee.
- A written description of how funds will be used.

Proposed COVID-19 HUD Loans

Helps for-profit businesses in low-income census tracts or incentivizes business owners to hire and retain employees whose area median income is at or below 80 percent. Administered by the Southeast Development District.

Amount: \$25,000 - \$100,000

Possible Application Deadline: June 30, 2020

Loan Terms:

- Zero percent (0%) interest, zero (0) payments for six months
- Loan terms may vary
- For every \$35,000 borrowed, one full time equivalent job must be created for low-to-moderate income residents

Eligibility:

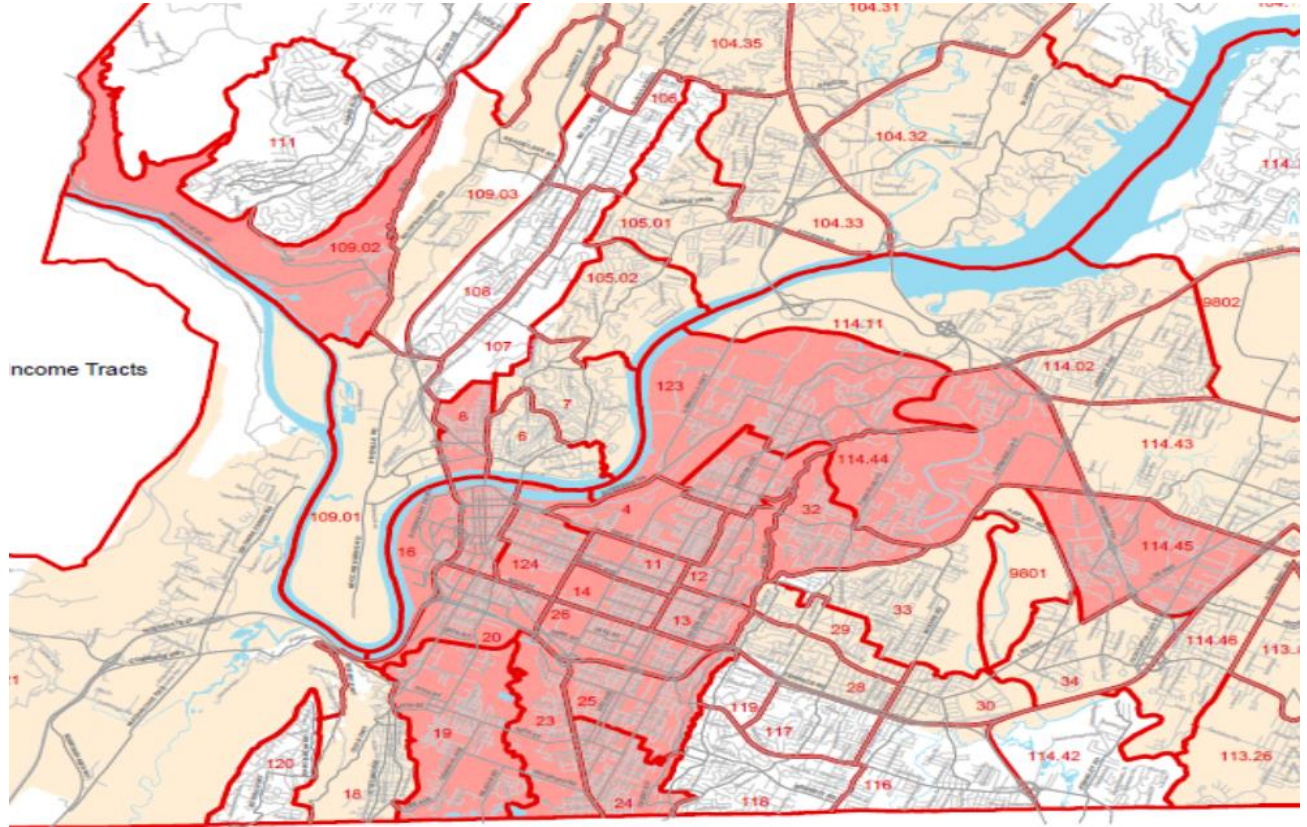
- Business' primary location must be within the Chattanooga city limits.
- Available to businesses located within a low-to-moderate income census tract or businesses that hire people from low-to-moderate income census tracts.
- Available to businesses for expansion.
- Available to businesses to retain jobs.
- A business may receive a single COVID-19 loan award.

Examples of Required Documents for an Application:

- Certificate of Existence from the State of Tennessee (if available and applicable)
- Business license from Hamilton County
- Business license from the City of Chattanooga
- A written statement with a description of how the business was adversely impacted by public policies regarding Coronavirus prevention. Must be signed and dated by business owner, manager, or designee.
- A written description of how funds will be used.
- Priority will be given to applicants that can show a plan to use the funding to hire or retain workers.
- Proof of census tract compliance / eligibility

HUD 108: Low-to-Moderate Income Census Tracts

At least 51% of citizens in these tracts are LMI



Available Existing Programs: New-Hire Job Creation Requirements



Economic Development Toolkit for Businesses

Funding and Incentive Programs

callen@chattanooga.gov (423) 643-7340

jfreeman@chattanooga.gov (423) 643-7821

Higher Risk
Sole Proprietor

Medium Risk
Owner & Small Staff

Lower Risk
CEO & Support Staff

1. StartUp Home-based	2. StartUp Incubator / Shared Space	3. Neighborhood Businesses Home-based, Brick and Mortar Retail, Restaurant, Local Services, Commercial, Office, Industrial	4. Growing Businesses Brick & Mortar Commercial, Office, Industrial	5. Large Capital Projects Brick & Mortar Commercial, Office, Industrial
<p>Kiva Loan Program Crowdfunding Loan Maximum: \$10,000</p>	<p>Kiva Loan Program Crowdfunding Loan Maximum: \$10,000</p>	<p>Construction Mitigation Wilcox & ML King Blvd Statutory award for business interruption Maximum: \$1,000</p> <p>HUD Section 108 Loan Program \$25,000-\$250,000</p> <p>Neighborhood Reinvestment Fund Small Business Loans Discretionary program for existing businesses. Technical assistance required. Maximum \$25,000</p>	<p>Growing Small Business Grants Statutory reward for 5+ job creation Maximum: \$10,000</p> <p>Innovation Grants Discretionary reward for 10+ job creation</p> <p>Renewing Chattanooga Grants Discretionary \$30,000 award for facade improvements in underserved communities</p>	<p>Payment in Lieu of Taxes (PILOT) Discretionary incentive for job creation and cohort pipelines</p> <p>Industrial Development Bonds</p> <p>Tax Increment Financing (TIF) Discretionary incentive for jobs and infrastructure</p>

This chart does not include housing development programs and incentives.

Funding Source for the COVID-19 Bridge Loans

- Dollars available to the Industrial Development Board from the Economic Development Lease Payments collected from PILOT payments.
- These dollars were intended to be used to support local economic development.
- We have hundreds of small businesses that have reached out asking for assistance.
- Many of these small businesses are minority and family-owned.

Similar Small Business Relief Funds across the Country

- Other mid-sized cities like Birmingham have established small business funds for COVID-19 relief.
- Larger cities like Atlanta, Boston, Chicago, and Salt Lake have also established small business relief funds.
- Florida and Michigan have established funds at the state level.

What do we want our city to look like on the other side of this crisis?

- We have a rich tapestry and fabric of locally-owned small businesses that give our city authenticity and cultural richness.
- For example, we have more than 100 locally-owned restaurants alone across our city.
- Preserving and protecting long-standing small businesses that anchor their neighborhoods

A Role for the Private Sector

- The City of Chattanooga is asking the private sector to make additional funding available for small business relief.
- The City asked the Community Foundation of Greater Chattanooga to establish a fund to accept private dollars.
- The fund would be managed by a community partner rather than the City.
- Consideration is being given to assisting small businesses that had between 51 and 99 employees prior to the Coronavirus outbreak.

Questions?









IDB Minutes

Final Audit Report

2020-05-04

Created:	2020-05-04
By:	Maria Manalla (mmanalla@chattanooga.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAACgqZ3-sbKfTFfAyewRmGIkEES46H2d6H

"IDB Minutes" History

-  Document created by Maria Manalla (mmanalla@chattanooga.gov)
2020-05-04 - 6:17:02 PM GMT- IP address: 174.195.21.116
-  Document emailed to H H Ireland III (sireland@cosonline.com) for signature
2020-05-04 - 6:18:03 PM GMT
-  Email viewed by H H Ireland III (sireland@cosonline.com)
2020-05-04 - 7:05:03 PM GMT- IP address: 204.93.97.35
-  Document e-signed by H H Ireland III (sireland@cosonline.com)
Signature Date: 2020-05-04 - 7:06:19 PM GMT - Time Source: server- IP address: 204.93.97.35
-  Document emailed to Alan Lebovitz (alan.lebovitz@cblproperties.com) for signature
2020-05-04 - 7:06:21 PM GMT
-  Email viewed by Alan Lebovitz (alan.lebovitz@cblproperties.com)
2020-05-04 - 7:22:49 PM GMT- IP address: 74.221.181.67
-  Document e-signed by Alan Lebovitz (alan.lebovitz@cblproperties.com)
Signature Date: 2020-05-04 - 7:24:55 PM GMT - Time Source: server- IP address: 74.221.181.67
-  Signed document emailed to H H Ireland III (sireland@cosonline.com), Maria Manalla (mmanalla@chattanooga.gov) and Alan Lebovitz (alan.lebovitz@cblproperties.com)
2020-05-04 - 7:24:55 PM GMT