



**INDUSTRIAL DEVELOPMENT BOARD
MONTHLY MEETING MINUTES**

**City Council Building
Chattanooga, Tennessee**

**for
May 3, 2021
11:00 AM**

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

Also present were: Phillip A. Noblett (Counsel for the Board); Jason Payne (Public Works Engineering); Jermaine Freeman (Mayor's office); Eleanor Liu (Finance); and Chase Pendergraft (Local IBEW).

Mr. Ireland called the meeting to order.

MEETING MINUTES APPROVAL

On motion of Mr. Adkins, seconded by Mr. Miller, the minutes of the April 5, 2021, meeting were unanimously approved.

PERSONS WISHING TO ADDRESS THE BOARD

Mr. Rodgers invited Mr. Chase Pendergraft from the Local IBEW to give a brief update on his experience with the contractors on the electrical side relative to the Nippon project.

Mr. Rodgers received some information that Nippon was expressing to certain City officials that they were not getting cooperation on bids from the local electrical contractors and the local plumbing contractors. Mr. Pendergraft can tell his background and how he knows what he knows, but he is involved with the local electrical contractors and can speak to that aspect. Somebody was going to be coming from the Local Plumber's Union today who got sick and cannot make the meeting.

Mr. Pendergraft stated that this was kind of introduced to him late Friday, and he was not exactly sure what he was getting into but did go back and read his e-mails to understand that this is involving the Nippon project. This comes up quite often in a lot of the areas he covers. He covers Nashville, Knoxville, Chattanooga, Oak Ridge, and the tri-cities. His name is Chase Pendergraft and is the Executive Director for the East Tennessee Chapter of the National Electrical Contractors Association (NECA). Chattanooga is one of their divisions of the five mentioned. Mr. Pendergraft

represents the electrical contractors primarily signatory contractors that are partners with the International Brotherhood of Electrical Workers (IBEW). Gary Watkins is the Business Manager of the IBEW but could not be here today.

The NECA has been around since 1957 and represent over 70 electrical contractors in East Tennessee employing probably 3,000 to 4,000 electricians at any given time with anyone who would work. Primarily for Chattanooga, which is their largest area of membership, they have 26 electrical contractors who perform work from installment of ceiling fans of a single family home to 1,000 electricians at the Google Project just south. If there is any concerns of manpower or labor ready or being available or able to perform work in this jurisdiction, he would like to alleviate that now. Their contractors partner together when needed, perform the work at Volkswagen, nuclear projects at TVA, strip centers, malls, you name it, they can cover it. The labor force there is solid, at least for the electrical side. That is the side he can speak for. They partner with the IBEW, they are not adversaries, and a lot of some places the union management butt heads, but he is really proud to say that is not the case in Chattanooga. The market share amount of manpower and contractor they have is the fruit of that partnership. Mr. Watkins is his partner. They have breakfast together, talk about families together, and that is the IBEW. That is labor management working together. Their biggest baby together is the apprenticeship school located off of Bonny Oaks and Hwy. 153, where they are approaching almost 500 apprentices that will graduate in the next five years. They are about to indenture in another 90 for the first year class. Not only do they provide good wages and good benefits and the contractors take care of their employees, the IBEW represents them well too. He is here speaking on behalf of those contractors alleviating any concerns of not being able to provide a manpower for electrical construction in this jurisdiction. They represent well and proud of Chattanooga.

Mr. Adkins asked Mr. Pendergraft if in his operation, if they give military Veterans a preference who are qualified? Mr. Pendergraft stated that several years ago they started a program called Helmets to Hard Hats where their apprenticeship program in the electrical training lines, the mothership that oversees all the apprenticeship programs in the country sponsor. It is also a big push at TVA where they make contributions to help market and gear some of the Veterans that are leaving the military into trade union apprenticeship programs where they are in that heavily. They also have the V-programs, which give our military Veterans actually preference into our programs where they can skip a few steps and get right into the interview process. We do have steps that everyone has to take, provide a driver's license, and aptitude test, pass a drug screening, and then the interview process. Most military have aptitude tests before they are allowed into the military so they waive some of that and that does give them preference right into the interview. They still have to pass the interview and meet some of the criteria, but they do give preference to our Veterans. We could use more.

Mr. Rodgers asked Mr. Pendergraft if he would, from his knowledge and relative specifically to Nippon, have any of their electrical contractors submitted bids for any project there? Mr. Pendergraft sent out that feeler Friday, he is sure they did. He does not have any names yet. They are pretty busy. It usually takes a while to get that answer but can e-mail and get a list. Mr. Pendergraft imagines that a project of that size and type of work, when NAPCO lost Adman Electric, would probably be one of the front runners for that project. Mr. Pendergraft does not know

yet if they have given any bids. Mr. Rodgers asked Mr. Pendergraft if he finds out, to let him know so he can forward it to the other folks.

Mr. Ireland asked Mr. Freeman, in the past when these types of things have come up, the Board is limited by state law in what they can require or not require, through the years been on the Board that he knows the types of questions have come up. The real issue is how do we tie that, especially these companies who get PILOTs or TIFs, in worst case scenario, encourage them to use local contractors at the beginning. Obviously, we know that they are going to hire local folks, but so much of the contract work is so important and wondered where do we stand now. Mr. Freeman and Ms. Allen have both tried to do some of that. What are we doing now and what could we do?

Mr. Freeman stated that one of the things that Mayor Kelly wants to focus on going forward is making sure that the language of that type is outlined out of the agreements going forward and that will be taken on a case-by-case basis depending on the company that we are negotiating. It is something that is important to the Kelly Administration to make sure that we are more explicitly articulating what our commitment is and what we expect from PILOT recipients when it comes to local hiring and local suppliers. Nippon did not receive a PILOT. As a reminder to the Board, Nippon was donated land but they did not actually receive a PILOT from the City of Chattanooga. That is something we are looking at when it comes to the way that we do incentives. That is a very big priority for the Kelly Administration. With regard to Mr. Pendergraft, Mr. Freeman would like to get his business card to connect with Koch Patel who is the Project Manager for the construction of the Nippon facility.

Mr. Ireland knows that the Board does not have a lot of legal authority, and he knows that everyone wants to make sure that our local businesses are connected at the highest level wherever possible. Mr. Freeman stated it is something that, depending on how the PILOT language is structured, the City Council can do it. Every PILOT has to be approved by the City Council and County Commission before it even comes to the Board. It is something that the City Council has the ability to do in partnership with the Office of the Mayor. The Community Benefits Agreements are a little different and some are familiar with those. Community Benefits Agreements are agreements that are negotiated between the company and a specific community group. The City takes sort of an initial third party approach to that and is not actually involved in the Community Benefits Agreements. The Kelly Administration is definitely interested in adding stronger language into the agreements going forward.

Mr. Noblett stated there is a rule that is in the Donation Agreement that may help in that regard. This is a Donation Agreement for specific property that would be developed as a plant. Ms. Allen was making a request of them back in 2019 to include language, and they agreed to include one sentence, "Donee will give due consideration to applicants who are residents of the City of Chattanooga in accordance with its standard hiring policies and practices." They will with due consideration in that regard to city residents. We could make it a requirement that you could only hire local contractors and that would be in violation of state law. That due consideration provision is in the document. Mr. Freeman stated that he thinks that reference is really in support of more for the direct employees that will work at the facility going forward. To the attorney's point, it does not reference contract bidders and suppliers.

Mr. Ireland stated that whatever we can do he thinks the Board would support that to make that connection wherever possible.

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



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

A RESOLUTION AUTHORIZING THE CHAIR OR VICE-CHAIR TO EXECUTE REVISED EASTSIDE UTILITY DISTRICT WATERLINE EASEMENTS AND ANY AND ALL DOCUMENTS RELATED TO THE EASEMENTS AND AMENDING THE VOLKSWAGEN LEASE. (VW(CB)69)

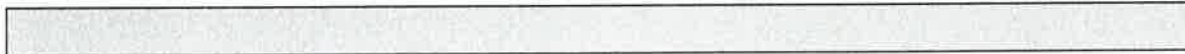
Mr. Jason Payne stated that we actually gave Eastside Utility an easement in December, and this easement is revised due to constructability.

After further discussion, the motion carried unanimously.



VOLKSWAGEN FINANCE REPORT

Ms. Eleanor Liu stated that there is not much to report again. We made a single payment of \$2,348.00 since the last report. Total percent spent and encumbered is at 98.85%.



OTHER BUSINESS

Mr. Rodgers stated that we omitted Mr. Noblett from the last meeting in his long service to the City and Industrial Development Board and is still concerned and hope he is still around to keep advising us because he certainly has a wealth of knowledge. Mr. Rodgers wanted to say publicly here in this meeting thank you, Phil, for what you have done for the IDB and the City. (Hear, Hear)

Mr. Patrick Sharpley introduced himself. He is Assistant Training Director with Iron Workers Local #704 Union. Mr. Sharpley is glad to be a part of the Board. He has known Mr. Rodgers for quite a while now, and he cannot wait to get in to help in whatever role he can play. The Board welcomed Mr. Sharpley.

Mr. Ireland stated that next month he will be rotating off of the Board and probably several are going to rotate off, and we will have new ones on. We will have to get a little more in depth to introduce our new members and turn the Board over.

Mr. Noblett stated that at some point the Board will need to do an election of board officers. We thought it would be better if there is a little transition to hold off a little bit on that first to let everyone get to know each other here. Normally, we have to file an annual report with the State of Tennessee. We do that each year. We will keep it the way that it is for the time being, and as soon as we have an opportunity to new board members, we will file an amended report. This has all been made a little bit different because we now have nine members on the Board as opposed to just a seven-member board for the coming year. That will make it much easier to be able to deal with that at the time that all the boards are sitting. Right now we are in pretty good shape. Mr. Noblett appreciates the Board's confidence in him and will try to do a good job in that regard and to continue to do that and keep you out of trouble. As long as we can keep the lawsuits down, that is always a good thing.

Mr. Ireland stated that three or four members are going to be rotating off and will be here at the next meeting and then officially welcome our other new members.

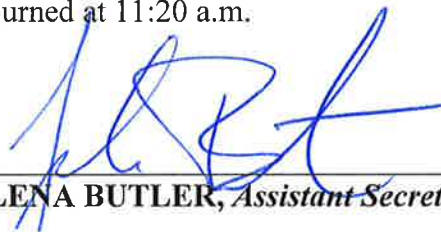
Mr. Noblett stated that is important for any of the new members whether you have a term of office. That term of office under state law is for a six-year term normally. That is to try to make sure that there is continuity and knowledge on this Board as to matters that are coming in front of the City. It is always good when everybody does not come up at the same time. If that happens, then you lose the collective knowledge that this body has. Mr. Noblett stated to the Board that to remember that you are members of a body that are making decisions in the best interest for the City. Thank you very much for your work.

Mr. Freeman welcomed Mr. Miller back and wanted to give Mr. Miller a chance to make any comments that he wants to make. Mr. Miller stated that he enjoyed working on this Board. He thinks he is a senior here. He came in 2006 and got a chance to work with some of the Charter members and it has been an adventure and rewarding experience to him because he really did not know what it was all about until he got involved. It will stimulate your mind to think about when you pick up the paper and read about various things like involvement with the Volkswagen situation. That was a long ordeal, and we had never gone through those barriers before. We learned some of the things we did right and some of the things that we did incorrectly. Mr. Miller has really enjoyed joining the Board. He does not think they ever had a fall out or anything like that, but he has enjoyed it and the ones that have come on and know that the Board would be in a position to bring something to the table because Chattanooga is growing. As Chairman of this Board, he had to step down due to the fact of some illness and as he thought he was getting ready to come back, he had another illness. He could not get on the timetable for the meetings. He was there but you could not hear him, but he was there. He wanted the Board to be aware that he is asking and question that he step aside, resign, and let someone else take on some tasks because we have new people in position and you do not need an old guy like him hanging around so he is willing to resign as effective June 2021 to give somebody else an opportunity to come in and do a great job.

Mr. Miller let the Board know that he really and truly appreciates and hopes that he runs into you in some form or fashion some other time. At this time, he would like for you to accept his resignation. Mr. Ireland thanked Mr. Miller for his leadership. Mr. Noblett asked Mr. Miller if he can come back and tell them about things that they may need to know about. That would be helpful. Mr. Miller stated he would be more than glad to do that too. Mr. Adkins stated that it would not be the same.

Mr. Freeman wanted to say we appreciate Mr. Miller's service. Coming up next month, he will have served on the IDB for 15 years which is a lot of time. Mr. Freeman appreciates Mr. Miller's patience with him as a new City employee to learn economic development and appreciates Mr. Miller coaching him through it also. As a point of reference, Mr. Freeman believes that three of the Board members will be rotating off after the meeting next month.

After further discussion, the meeting adjourned at 11:20 a.m.



JELENA BUTLER, *Assistant Secretary*

APPROVED:



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