



**INDUSTRIAL DEVELOPMENT BOARD
MONTHLY MEETING MINUTES**

**City Council Building
Chattanooga, Tennessee**

**for
June 7, 2021
11:00 AM**

Present were H.H. (Skip) Ireland, III (Chair), James Miller, Ray Adkins, Kerry Hayes, Patrick Sharpley, Gordon Parker, and James Floyd. Absent were Jimmy F. Rodgers, Jr. (Vice-Chair), Althea Jones (Secretary), and Lance Truett. 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 (Interim Director of ECD); Eleanor Liu (Finance); Jeff Billings and Mandy Savage (BlueCross/BlueShield of Tennessee); Mike Pare (Times Free Press); Councilwoman Jenny Hill (District 2); and Gail Hart (Real Property).

Mr. Ireland called the meeting to order.

MEETING MINUTES APPROVAL

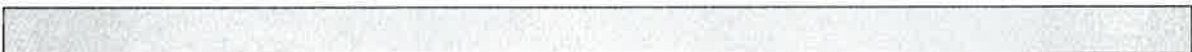
On motion of Mr. Adkins, seconded by Mr. Miller, the minutes of the May 3, 2021, meeting were unanimously approved.

There was no one present wishing to address the Board.



VOLKSWAGEN FINANCE REPORT

Ms. Eleanor Liu introduced herself to the Board. Ms. Liu is present at the meeting monthly to present the VW grant finance report. There is not much to report. Since our last month's report, we only made one payment of \$2,652. Overall percent spent, encumbered, and contingency is at 98.85%. We are at the end of the VW project. Ms. Liu stated there is supposedly a third MOU coming up but have not heard anymore. On that report, the contingency on the third MOU, you will see a \$5 million budget. Half is from Hamilton County and the City of Chattanooga.



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

A RESOLUTION AUTHORIZING THE EXECUTION OF A SECOND SUPPLEMENT TO AMENDED AND RESTATED TRUST INDENTURE TO REFINANCE COSTS RELATING TO THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF OFFICE FACILITIES LEASED TO BLUECROSS BLUESHIELD OF TENNESSEE.

Mr. Jeff Billings (Associate General Counsel with BlueCross/BlueShield of Tennessee) was present for the meeting today. They have worked with the Board's attorney, Mr. Noblett, to structure this particular authorization so that these bonds mature in October, 2021, as well as the interest rate structure based on LIBOR. Apparently, LIBOR is going by the wayside and a new method of capping interest payments has to be substituted in these particular instruments. BlueCross/BlueShield has structured this authorization for the Board to review so that we can have approval to replace the owner of the bonds which is currently Bank of America with Regions. It will set what the new interest rate structure will be once LIBOR has gone out of existence.

Mr. Noblett stated the Board has already approved the execution of a First Supplement and this is the Second Supplement. This is for the issuance of \$200 million in bonds which resulted in BlueCross/BlueShield being in the location that it is currently. It is an important issue at this point in time, and this will only be the Second Supplement to that based upon the rates. This is within the original agreement. The issuance of bonds is a small supplement.

After further discussion, the motion carried unanimously.



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

A RESOLUTION AUTHORIZING THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA TO REIMBURSE THE CITY OF CHATTANOOGA USING TIF LOAN FUNDS FOR EXPENDITURES RELATED TO THE EAST CHATTANOOGA RISING TIF DISTRICT FOR EXPENDITURES OF FORTY THOUSAND NINE HUNDRED THIRTY-SIX AND 25/100 DOLLARS (\$40,936.25) FOR ASA ENGINEERING FOR DESIGN WORK RELATED TO THE HARDY STREET EXTENSION AND TWELVE THOUSAND NINE HUNDRED FIVE DOLLARS (\$12,905.00) TO COMMON GROUND URBAN DESIGN + PLANNING FOR INITIAL COMMUNITY ENGAGEMENT WORK RELATED TO CERTAIN PARCELS AT THE FORMER HARRIET TUBMAN SITE, FOR THE TOTAL AMOUNT OF FIFTY-THREE THOUSAND EIGHT HUNDRED FORTY-ONE AND 25/100 DOLLARS (\$53,841.25). **(HARDY 2021-001)**

Mr. Jermaine Freeman spoke about this resolution. The first thing to understand about the resolution before you today is that the Board is not being asked to approve payment to a specific vendor. Those vendors have already been paid by the City of Chattanooga. What the Board is doing is reimbursing the City out of the TIF proceeds for expenses related to the TIF. The vendors have already been paid by the City. The resolution before the Board today is for the design work associated with the design of the Hardy Street extension which is the major project of our TIF, and it is also for the initial community engagement work that was done by Chattanooga Design Studio and Common Ground as the subcontractor. That initial community engagement work began last year right before the pandemic started. Now that we have a process in place for these expenses as they come up to be reimbursed to the City, we will now be bringing these expenses before the Board when the expenses arise.

As an update, we fully intend to continue doing community engagement. We have restarted those conversations with our community partners now that the pandemic is starting to slow down, and we hope that continues to happen. We hope that we continue to see positive trends in terms of people not testing positive for COVID and more people getting vaccinated. Now that the pandemic is starting to slow down and social distancing is no longer one of the big things to worry about as we think about the virus, we now have the ability to restart a more robust community engagement process. The Board will be hearing more about that over the coming month as we begin to get that process finalized.

Mr. Noblett stated that one of the things that we will talk about whenever we have our orientation session for all of the new members of this body, there are things like bonds, tax increment financing that might be involved, and Payment in Lieu of Tax programs which this Board is involved in. Tax Increment Financing is one of those items that this body has the authority to be able to be involved. This project here, the City is essentially fronting the money on that end. This Board will be paying for tax increment finance which revenues those funds back to the City of Chattanooga and that is the reason for this loan that is involved in this process. The Hardy Street addition here is involved in this case will be the main entrance into the Nippon plant that will be there in that location. That is the principal front interest for that location which hopefully will result in revenues to the community from the increments that come in for new businesses that come up in that area. That is the purpose here.

Mr. Freeman stated that for those of you that are new, not only do we expect to have increment from the creation of the new Nippon facility which we anticipate should become operational by next year. We will have incremental revenue that comes from that. We will also see further development on the new creation that is still owned by the City of Chattanooga and that is why we have the need for the community engagement process. It is to speak with community members so that they can inform us of what types of development they would like to see on the acreage.

Mr. Ireland thanked Mr. Freeman for bringing the Board up-to-date because it is an exciting project in taking a piece of property that is truly blighted and put it to really great use. Mr. Freeman stated it is always good to bring vacant property back onto the tax rolls.

After further discussion, the motion carried unanimously.



OTHER BUSINESS

Mr. Adkins thanked Mr. Ireland and Mr. Miller for their service to the Board for numerous years. They have done an outstanding job.

Mr. Freeman would like to follow that with a Certificate from Mayor Tim Kelly for three board members. Ms. Butler is not here today. Mr. Freeman presented the Certificates of the Mayor to Mr. Ireland and Mr. Miller and gave the Clerk, Maria Manalla, Ms. Butler's Certificate.

Mr. Freeman stated that Mayor Kelly, and Mayor Berke before him, really appreciate all of the work that the Board has done on the Industrial Development Board. Mr. Miller as former Chair, having been there for about fifteen (15) years, really started to help steer the Industrial Development Board through all of the transactions that we had with Volkswagen. Mr. Ireland has been a very solid and hardworking Chair as he replaced Mr. Miller, and Ms. Butler has been a great member of the Board as well. The Board has asked hard questions and held them accountable, and they appreciate that. They feel that they have certainly improved their ability to communicate with the goals and visions of the Mayor with regards to economic development because of the Board's work. From Mayor Kelly, Mr. Freeman wanted to say thank you for all their years of service to the Industrial Development Board. Personally, Mr. Freeman will miss everyone.

Mr. Ireland enjoyed professionally and personally all the relationships he made. Ms. Liu, Mr. Payne, Ms. Manalla, and Mr. Noblett. Nobody knows more about public law than he does. Mr. Ireland really enjoyed being a member. We made great strides under Mr. Miller as far as accountability and process and that goes a lot to Mr. Freeman and his team. It is light years ahead of where we started on the Board, and we have Mr. Adkins to keep us straight. It has been a lot of fun. Mr. Ireland really enjoyed it and has learned a lot, and he wished everyone all the best.

Mr. Noblett stated that for next month, and Mr. Rodgers who is not here today, was asking when are we going to elect new officers for this Board. Mr. Noblett told him that it would be nice if we had all of the new people on first before we did that. We will have a nine-member board for the coming year. We have always had a seven-member board in the past, and the City Council had made a request that at least one person from each district could be included on the Board. We will have a nine-member board, and as soon as all of those are filled, and should be done by next month, then you probably will need your election of officers to occur since you are having officers leaving from the Board. We will do some sort of orientation for the Board whenever the Board is ready next month or afterwards, we will get that worked out as soon as possible.

The four new board members introduced themselves:

- (1) **Mr. Gordon Parker** has been a resident of Chattanooga for 18 years, and in his regular career he is a salesman and has been in the paper industry for a couple based in another state but has chosen to live in Chattanooga where he primarily covers the southeast territory;
- (2) **Mr. Patrick Sharpley** has been a resident in Brainerd District 5 and is the Assistant Training Director with the Iron Worker Union and Brainerd High School Alumni;
- (3) **Mr. Kerry Hayes** has been a resident of District 9 and was a member of Mayor Berke's Chief of Staff of Economics; and
- (4) **Mr. James Floyd** represents District 3 and is currently with Volkert, Inc. which is an engineering firm and been around for a long time in infrastructure projects.

After further discussion, the meeting adjourned at 11:15 a.m.



Patrick Sharpley, Secretary

APPROVED:



Jimmy F. Rodgers, Jr., Chair