



**INDUSTRIAL DEVELOPMENT BOARD
MONTHLY MEETING MINUTES
Electronic-Conducted (Virtual) Meeting
Chattanooga, Tennessee
for
September 14, 2020
11:00 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); Bill Payne (City Engineering); Charita Allen and Jermaine Freeman (ECD); Gail Hart (Real Property); and Pat Taslimi and David Taslimi (Best Beginnings Early Learning School, LLC).

Mr. Ireland called the meeting to order.

MEETING MINUTES APPROVAL

On motion of Mr. Adkins, seconded by Mr. Lebovitz, the minutes of the August 3, 2020, meeting were unanimously approved as published (6-0) upon roll call vote.

ACTION: APPROVED

There was no one present to address the Board.

VOLKSWAGEN FINANCE REPORT

Ms. Eleanor Liu presented the Volkswagen Finance Report. There was no activity to report. The overall spent, encumbered, and contingencies are at 98.88%. Barely moving anywhere.

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

A RESOLUTION AUTHORIZING THE CHAIR OR VICE-CHAIR TO EXECUTE A SECOND AMENDMENT TO CONTRACT FOR SALE AND PURCHASE, IN SUBSTANTIALLY THE FORM ATTACHED, WITH THE ELECTRIC POWER BOARD OF CHATTANOOGA AND TO EXECUTE ANY OTHER NECESSARY CLOSING DOCUMENTS FOR THE CONVEYANCE OF THE PROPERTY LOCATED AT ENTERPRISE SOUTH INDUSTRIAL PARK (ESIP).

Ms. Charita Allen spoke on this resolution. At the last meeting, there was an amendment to the original agreement to increase the due diligence period. This extends the due diligence period. EPB is interested in a parcel at ESIP. This board approved a Purchase Sale Agreement which had a due diligence period. While going through the due diligence, it was discovered that there may be an underground stream or waterway on part of that parcel and in order to move forward before closing, they need verification from the State as to exactly what this potential waterway, stream or covert might be. This is extending the due diligence period we previously extended taking it out now through October. The delays are COVID related in which someone from the State has to physically come out and take a look at the site.

The company has had difficulty in scheduling on the State level. The visit is this week but just in case that does not happen, we want to go ahead and extend the due diligence period so we do not have to come back to the Board again. As soon as the visit happens, we will go ahead and notify the attorney, chair, and the Board when that happens instead of waiting until October. If it happens before the closing in October, we will come back and notify the Board. Mr. Noblett stated the closing is extended to November 20th.

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

ACTION: APPROVED

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

A RESOLUTION AUTHORIZING THE CHAIR OR VICE-CHAIR TO EXECUTE ANY AND ALL DOCUMENTS RELATED TO THE TENNESSEE VALLEY AUTHORITY INVEST PREP PROGRAM GRANT, WITH MATCHING FUNDS OF ONE HUNDRED SEVENTY-FOUR THOUSAND FIVE HUNDRED DOLLARS (\$174,500.00) FROM THE CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD AND ONE HUNDRED SEVENTY-FOUR THOUSAND FIVE HUNDRED DOLLARS (\$174,500.00) FROM HAMILTON COUNTY.

Ms. Charita Allen and Mr. Bill Payne spoke on this resolution. The City's ECD Department and Hamilton County work closely with the Chattanooga Chamber to identify funds to conduct site preparation work in order to recruit companies to sites identifying what sort of pre-development work has to happen. This is part of the TVA site preparation grant for the Board to approve matching funds. This involves engineering design, due diligence studies, and railyard feasibility for a 180 acre site.

Mr. Payne stated there are environmental resources on-site documented. Part of the due diligence helps best be in the position to work with those on the site. This is an important step in being able to get ahead of any prospects based on evaluation of the site. These are the things that anyone coming to the site would need to address and be able to deal with because those things typically require permitting from multiple agencies. This is a great opportunity to get ahead and work in a direction that puts us in the best position for future prospects on the site.

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

ACTION: APPROVED

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

A RESOLUTION AUTHORIZING AN AWARD OF A SMALL BUSINESS INCENTIVE GRANT TO BEST BEGINNINGS EARLY LEARNING SCHOOL, LLC, IN THE AMOUNT OF FIVE THOUSAND FORTY-SEVEN AND 40/100 DOLLARS (\$5,047.40).

Mr. Jermaine Freeman spoke on this resolution. This is a Small Business Incentive Grant in the amount of \$5,047.40 for Best Beginnings Early Learning School, Inc. located at 5010 Alpha Lane in Hixson, TN, for the creation of five full-time jobs. Ms. Pat Taslimi and her son David Taslimi were in attendance from the school. Mr. Taslimi shared a brief presentation.

The school was established in 2005 and now serve 250 children. They have served thousands of children totally. In 1987, the Taslimis moved from France and were lawyers. The first school created was Lilyland Learning Center with the help of Mr. James Miller. In 2010, the school became Best Beginnings. The second school is located on Hickory Valley Road and Lee Hwy. The third school was created in 2017 in Collegedale, TN. Their goal is to be the Top Early Learning Center.

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

ACTION: APPROVED

OTHER BUSINESS

Mr. Jimmy Rodgers had a question for Ms. Allen or Mr. Freeman regarding the Southern Champion Tray expansion issue. It came up about a month ago in the press and got a lot of attention from Commissioner Boyd. It hit the City hard and Mr. Rodgers wanted to see why the City took the position they did for his better ability to understand why the County is doing something in that instance, and the City is not.

Ms. Allen stated that when the company approached the City in April, we had just issued our 4th Executive Order, we were in the midst of shutdowns. We were also at the height of launching of a small business program and receiving inquiries from roughly 600 small businesses that were looking for assistance. We were going through a grant and loan program at that time. At that point when the company approached the City, they did not meet but-for, what we consider to be the but-for, for the project. Were it not for the request of the City, this project would not happen. That was in April. At some point in the month of July and probably August, conversations resumed with the Chamber and no one circled back to the City. At the end of the day, we were not aware that the County was offering a PILOT incentive to the company. We found out about it, and everyone found out about it, when it was on the County agenda. Had we all been meeting in person like we usually do, someone would have mentioned it to us. We did not know. That is how the miscommunication occurred.

Mr. Freeman stated that process sort of outlines how the City, County, and the Chattanooga Area Chamber, who are also involved in that communication process, how we all need to be on the same page moving forward, and how we need to have better and improved communication.

Mr. Rodgers followed up with a reference in one of the articles by Ms. Helen Burns Sharp, which made a reference to reliable numbers, that in 2019, the City had PILOTs of \$15 million and the County had \$10 million, for a total of \$25 million. Mr. Rodgers also stated that Commissioner Boyd was quite upset because the City did not partner with the County on the Southern Champion Tray expansion. Mr. Rodgers asked what are the circumstances, at least one time, the City might grant a PILOT and the County would not? Is it a choice of maybe who the contractor is that goes to the City IDB and not the County?

Ms. Allen stated that there will be a difference in figures keeping in mind IDB PILOTs through the County because they are Hamilton County wide. We would not participate in those like Collegedale or Dayton, the City would not play a role. Historically, we have always participated. It is an anomaly. It was complete miscommunication. It is rare that the City would say no to a PILOT, and the County yes, and vice-versa. Again, height of COVID, lack of communication, everyone working remote, all face-to-face in Zoom meetings where maybe a project manager may not be on a call, and the miscommunication would not have happened in the past. Ms. Allen is not familiar with the numbers. ECD monitors PILOT reporting with the Chattanooga Chamber.

There being no further business, the meeting was adjourned at 11:25 a.m.

Alan Lebovitz

Alan Lebovitz (Nov 2, 2020 13:51 EST)

ALAN LEBOVITZ, Secretary

APPROVED:

H H Ireland III

H H Ireland III (Nov 2, 2020 13:31 EST)

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

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









(3) 09-14-2020 IDB Minutes

Final Audit Report

2020-11-02

Created:	2020-11-02
By:	Maria Manalla (mmanalla@chattanooga.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAAtEWYpa9GCleOG3Z4INSqcTG-fUtnNRmP

"(3) 09-14-2020 IDB Minutes" History

-  Document created by Maria Manalla (mmanalla@chattanooga.gov)
2020-11-02 - 5:46:35 PM GMT- IP address: 45.43.96.8
-  Document emailed to H H Ireland III (sireland@cosonline.com) for signature
2020-11-02 - 5:47:07 PM GMT
-  Email viewed by H H Ireland III (sireland@cosonline.com)
2020-11-02 - 6:13:29 PM GMT- IP address: 73.107.32.118
-  Document e-signed by H H Ireland III (sireland@cosonline.com)
Signature Date: 2020-11-02 - 6:31:53 PM GMT - Time Source: server- IP address: 73.107.32.118
-  Document emailed to Alan Lebovitz (alan_lebovitz@cblproperties.com) for signature
2020-11-02 - 6:31:54 PM GMT
-  Email viewed by Alan Lebovitz (alan_lebovitz@cblproperties.com)
2020-11-02 - 6:50:46 PM GMT- IP address: 173.247.30.130
-  Document e-signed by Alan Lebovitz (alan_lebovitz@cblproperties.com)
Signature Date: 2020-11-02 - 6:51:00 PM GMT - Time Source: server- IP address: 173.247.30.130
-  Agreement completed.
2020-11-02 - 6:51:00 PM GMT