

**AGENDA**  
**MONTHLY MEETING OF THE BOARD OF DIRECTORS**  
**OF THE**  
**INDUSTRIAL DEVELOPMENT BOARD**  
**OF THE CITY OF CHATTANOOGA, TENNESSEE**

**Monday, July 14, 2025 @ 11:00 AM**

1. Call meeting to order.
2. Confirmation of Meeting Advertisement and Quorum Present.
3. Election of Officers (Chair/Vice-Chair/Secretary/Assistant Secretary).
4. Minutes approval for the June 2, 2025, monthly meeting.
5. Recognition of any person wishing to address the Board.
6. **IDB Volkswagen Grants Financial Progress Report, Programs Summary, and Tax Increment Financing (TIF) Summary updates by Eleanor Liu.**
7. **e2i2 Project Update by Wastewater.**
  - a. A resolution authorizing the Industrial Development Board of the City of Chattanooga to acquire the real property located at 7218 Hamilton Acres Circle, Chattanooga, Hamilton County, Tennessee, Tax Parcel No. 139P-C-007.04, including all necessary fees and closing costs as part of the purchase, for an amount not to exceed \$700,000.00, for use in connection with the City of Chattanooga Wastewater Department's e2i2 project.
8. **Moccasin Bend Environmental Campus (MBEC) Class A POWER Project Update.**
9. **Chattanooga Housing Authority Request for Project Funding.**
  - a. A resolution authorizing the allocation of \$1.5 million from the Industrial Development Board IDB Renewing Chattanooga Account NR17 to the Chattanooga Housing Authority (CHA) for Phase 1 renovation and expansion of the James A. Henry Hub at 1241 Grove Street, as a part of the City and CHA's successful \$50 million Choice Neighborhoods Implementation Grant for the One Westside Transformation Plan. **(Deferred from 06-02-2025)**
  - b. A resolution authorizing the transfer of \$1.5 million from the Industrial Development Board IDB PILOTs Fund Account NR14 to the IDB Renewing Chattanooga Account NR17 which was created for eligible catalytic economic development projects in disinvested communities and for economic development projects investing in or rehabilitation of blighted, vacant properties. **(Deferred from 06-02-2025)**

10. **Other Business – Discussion Items.**
  - a. Overview of existing TIFs and PILOTs by Charita Allen.
  - b. Certificate of Self-Insurance for the IDB for Easement.
11. Adjournment.



**INDUSTRIAL DEVELOPMENT BOARD  
MONTHLY MEETING MINUTES  
John P. Franklin Sr. City Council Building  
Assembly Room  
Chattanooga, Tennessee  
for  
Monday, June 2, 2025  
11:00 AM**

Present were Althea Jones (Vice-Chair), Gordon Parker (Secretary), Ray Adkins, Jimmy F. Rodgers, Jr., Melody Shekari, and Marcus Cade-Johnson. Absent were Kerry Hayes (Chair), Jim Floyd (Assistant Secretary), and Nadia Kain.

Also Present were: Attorney for the Board, Phillip A. Noblett; Charita Allen (Economic Development); Elizabeth McCright and Mike Sabin (Chattanooga Housing Authority); Ellen Gent (Times-Free Press); Adam Myers (Chattanooga Chamber); Javaid Majid and Josh McCutcheon (Finance); Gail Hart (Real Property); Andrew Hudson; and John Wilson (The Chattanooga).

Vice-Chairwoman Althea Jones called the meeting to order, confirmed the meeting was duly advertised, and established that a quorum was present to conduct business. There were five (5) members present in the beginning, and Ms. Shekari arrived after the first item. The quorum was then six (6) members present.

**MONTHLY MEETING OF APRIL 7, 2025 – MINUTES APPROVAL**

On motion of Mr. Adkins, seconded by Mr. Parker, the minutes of the April 7, 2025, monthly meeting were unanimously approved as written.

**PUBLIC COMMENTS**

There was no one from the public who had comments.

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

**A RESOLUTION AUTHORIZING THE CHAIR OR VICE-CHAIR TO EXECUTE ALL DOCUMENTS RELATED TO THE DONATION OF REAL PROPERTY ALONG VOLKSWAGEN DRIVE TO TDOT TO BE USED AS RIGHT-OF-WAY AS PART OF THE FERDINAND PIECH WAY IMPROVEMENTS PROJECT (TDOT PIN 120361.00, FEDERAL PROJECT# HPP-9202(116)).**

Ms. Charita Allen said that this project is part of the ongoing infrastructure development that happens around Enterprise South Industrial Park. These improvements are pertinent to and benefit all of the projects. This is for the right-of-way along this area.

The motion carried.

**ADOPTED**

**Chattanooga Housing Authority Request for Project Funding**

**A RESOLUTION AUTHORIZING THE ALLOCATION OF ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000.00) FROM THE INDUSTRIAL DEVELOPMENT BOARD IDB RENEWING CHATTANOOGA ACCOUNT NR17 TO THE CHATTANOOGA HOUSING AUTHORITY (CHA) FOR PHASE 1 RENOVATION AND EXPANSION OF THE JAMES A. HENRY HUB AT 1241 GROVE STREET, AS A PART OF THE CITY AND CHA'S SUCCESSFUL FIFTY MILLION DOLLAR (\$50,000,000.00) CHOICE NEIGHBORHOODS IMPLEMENTATION GRANT FOR THE ONE WESTSIDE TRANSFORMATION PLAN.**

Ms. Charita Allen said that staff are bringing this request, and the staff report provides an overview. The funding request would be allowed through this state statute that allows an IDB to control funds that come into a particular fund that is located under the economic development fee portion. This request aligns with the One Chattanooga Plan to grow household income for all Chattanoogaans through workforce development and skills training. It also helps to refine competitive advantages and clusters in the City. It also aligns with Chattanooga Climbs Higher Strategic Plan which is developing skills for the new economy and growing stronger businesses. It also falls under the background and history in 2018, where the IDB created a fund account that is NR17 called Renewing Chattanooga that allows the IDB to provide funding for eligible catalytic economy development projects in disadvantaged communities. The funds can also be used for economic development projects investing in or rehabilitation of blighted and vacant properties.



The Chattanooga Housing Authority will provide a presentation. This item will not be voted on today and will be presented at the July meeting. Today is just the presentation.

With regard to the fiscal impact, the current fund for which the funds would be withdrawn has a current balance of \$2,873,422. The fund request is for \$1.5 million. Approval of this request would leave a balance of \$1,373,422. It is worth noting that through the remainder of 2025 and through the spring of 2026, the IDB will have incoming funds of roughly \$1,348,037. Those funds would be coming from future economic development fees of existing PILOT projects which is \$459,037. Additional funds would be coming through Chattanooga Neighborhood Enterprise (CNE) Small Business Program reinvestment, funds that were sent to CNE in 2000 that were not expended for economic development activities with small businesses throughout the community. Those funds will be coming back to the City and IDB. It says in the program report that it is \$538,000 but is \$585,000.

We also have neighborhood reinvestment revolving loan fund payments. A few members of this board may remember that during COVID that the City stood out by a Revolving Loan Fund Program to help keep businesses afloat, it was roughly \$2 million, but \$500,000 came from the IDB, and those funds will come back to the IDB in 2029. To date, \$331,000 has been repaid. Those funds are currently sitting with Southeast Tennessee Development District that is administering that Revolving Loan Fund Program on behalf of the City and the IDB. We are asking for those funds to come back at this time. That would be \$331,000 coming back in.

The last incoming funds for 2025-2026 are related to the High Growth High Jobs Investment Program that was created in March at the IDB which is a matching program. We have an item on today's agenda that is related to that. That fund is a grant that goes to businesses that create verified jobs. The IDB pays half of those funds from economic development fees and the County provides a match. This \$20,000 that is coming is the number that the IDB will be invoicing the County for its portion of the High Growth High Jobs Grant. Roughly, \$1,348,037 will be coming back to the IDB this year in spring of 2026.

The letter in the packet of May 15, 2025, was the letter from Chattanooga Housing Authority to the Mayor asking for assistance in the funding gap on this particular project. The Mayor then has a letter dated May 20, 2025, where the Mayor is asking the Board to hear this item and consider funding in keeping in mind the Board is about to vote for this in July.

#### **Presentation by Chattanooga Housing Authority**

Ms. Elizabeth McCright from the Chattanooga Housing Authority (CHA) spoke and introduced her colleague, Mike Sabin, who is the Director of Real Estate Development at CHA, who oversees the budget, and real intricacies of the James A. Henry Reconstruction Project. This is the James A. Henry hub. The James A. Henry Building is owned by CHA currently. It is an integral part of the One Westside Project because it serves as a hub to serve all of the residents of the community. (The One Westside presentation is attached to these minutes). The front of the school (top/middle section) is the existing school construction, and in the second row on the far right side, you will see the billboard adding 2,400 square feet to the creation of a medical clinic.

The history is interesting. The building was originally built as an elementary school in 1937, closed in 1980 but continued to serve as a community resource in the late 1990s and early 2000s. It was named after the Principal James A. Henry, the first African American of Howard High School.

Phase 1 involves the renovation of the existing school in addition to the health center. Tricon began construction on August 5<sup>th</sup> and we intended to open the school by August 5<sup>th</sup> of 2025 in order to accommodate 117 Head Start students to start the school year there. Due to some construction delays, we are now looking at the final date of the end of 2025 and plans are that Head Start will move sometime during the first quarter of 2026.

The amenities include 117 Head Start seats, which is an additional 60 more than the original as last time. We have special playgrounds and kitchens. In the school itself, we are going to have incubator space, classrooms for programming, and Erlanger is running the health center.

During this process, the City and CHA are applying for a \$50 million HUD Choice Neighborhoods and Implementation Grant. We are very happy that we were the top ranking application in the nation. We received the grant last July 16<sup>th</sup> and embedded in the grant is about housing, neighborhood, and people. The people's plan involves addressing education, health, income, employment, and early learning. As part of the grant application, we were required to maximize the points in the grant to find \$20 million in leverage support. We were able to do that thanks to the generosity of non-profit partners in Chattanooga.

Some of the providers and what this funding will do is that Head Start will be there committing to \$8.5 million, The Boys & Girls Club of Chattanooga pledged \$3.3 million will be present in the after school plan, Chattanooga Area Food Bank has pledged over \$300,000 to provide food on a monthly basis to the families, and Erlanger had pledged almost \$2.7 million to provide a health clinic which will include dental services. This gives an idea of the various partners in the City who have come to the table. It has been a really great outpouring of support. (See presentation attached).

With regard to the project, the budget for Phase 1 for James A. Henry is almost \$19 million. When we started Phase 1, we had total sources of just about \$22 million, and unfortunately, as highlighted in yellow during this first prior to 2025, we began convinced that we would not see the Federal Earmark of \$5 million from Congressman Fleishmann's office. It seems the Department of Energy C-Site Grant that the City had applied for last year, the \$2.9 million, will not be forthcoming during this Phase 1 piece of the project.

What does that do to us? Roughly, the budget remains the same at \$19 million. Ms. McCright plugged in the generous offer of the City of Chattanooga to give us a total of \$6 million, which includes the \$1.5 million from the IDB. As you can see, just tracking through the unfunded net brings us to a total source of just over \$20 million. About \$1 million to get through Phase 1, and it will definitely help us to open the school and start delivering the services that we promised to the community.

With regard to Phase 2, the construction start dates were a little off. We had a good chunk of money prepared for Phase 2 that is not there right now, but we are still looking for it. Phase 2 would involve the creation of a gymnasium, multipurpose room, an IT center, kitchen, meeting spaces, and office space.

Phase 3 will involve the renovation of the Sheila Jennings Park that the City owns and that would start in Q1 2027, which is where residents wanted to include a community garden, multipurpose field and court, a splash pad was high on their list, and the last phase is infrastructure and parking behind the building.

Mr. Jimmy Rodgers asked if there are any environmental issues, including asbestos? The asbestos is removed but foundry sand. We spent just over \$2 million on discovery foundry sand, remediation, and removal of the foundry sand. We also had expenses with installing new elevator shaft and equipment. That \$2 million foundry sand also approves; in order to avoid it in a latter part of Phase 1, we put pylons in so we do not have to dig into the sand. We have helical piers. They are pylons that we do not have to dig up the foundry sand embedded in the sand but can build on top of it.

Mr. Marcus Cade-Johnson asked if there was a funding gap, you are asking for \$6 million, is there \$2 million that has already been taken of? Ms. McCright said that the \$7.9 million that was lost was actually a piece in the first, which gave us a total source of \$22 million, when in fact we needed about \$19 million. When we plug in \$6 million, we are now \$20 million, just about a million over what we need. Right now, we do not feel like we have a funding gap for Phase 1. We had a bigger buffer when we started. Now there is a little buffer. This is just a community hub. We started Phase 1 about a month ago, but with 230 units there, that is totally funded, and then we are in design on Phase 2 which is 144 units, and invariably, during these tough economic times, there are gaps. Keep knocking on doors and asking.

Mr. Gordon Parker asked if there is a chance this may come through or is this done for the year? Is there a chance that this will come through 30-60-90 days or out of budget? Ms. McCright said that what she understands is that it is the approval letters to request the \$5 million Earmark for the 2025 budget. That request, Ms. McCright believes, is going – at least we sent our support of that. Ms. McCright is not familiar with where we are with the Department of Energy grant. The last Ms. McCright knows which was on April 18<sup>th</sup>, the staffing had all taken kind of buy-out but that would be a City question.

Mr. Rodgers said that it sounds like you did a whole lot of background work and put a lot of effort and time into this, and it sounds like a great project. Mr. Rodgers would be surprised if any of us are opposed to the project itself. Mr. Rodgers' question in his mind is whether this is the proper body to be making up the deficit that is described to us. We are an Industrial Development Board and Mr. Rodgers understands that from the standpoint of our powers that decided, in this very helpful memo, is broad. But it does say that the statute that is cited in furtherance of the purposes for which this corporation was organized ... Mr. Rodgers does not know if this corporation was organized to help housing development and neighborhood development, that kind of project. Mr. Rodgers can say from his experience on the IDB, Mr. Rodgers does not know if he has encountered this kind of thing before. From that standpoint, as a member of this body, Mr.

Rodgers would like to have some kind of legal clarification or opinion in writing that says, yes, this is a permissible use of IDB funds. It is a great project, just questioning whether we are the proper body.

Ms. Allen said that we all have that same question. There was recent legislation at the state level that allows IDBs to now include housing projects as eligible projects under the IDB. When this first came to us, we were looking at the employment and income piece as being an eligible project because the proposal is for there to be what was then called an American Job Center, which previously was out at Eastgate Town Center. That is a hub and funded through the Department of Labor. It is an access point for residents, not just part of this particular complex, but residents in the City would be able to access employment opportunities and job training through that American Job Center that will be part of the James A. Henry Project. There is also a proposal for a future kitchen incubator sharing incubator space, again small business creation, all of that does fall under the purview of the IDB. The recent state statute that added housing projects is eligibility for IDBs that was within the last six weeks. Attorney Noblett said that multifamily has always been there. This is not single family housing.

Ms. Shekari had a question because she is familiar with most of these entities, and obviously, it is for the neighborhood. There are a lot of adjacent areas. Are there going to be restrictions? The restrictions are tailored to the neighborhood. Ms. McCright said that overall for a ten year period we will be putting 1,783 new mixed income units. It might be helpful for the Board to know that the average income for the people on the Westside is under \$15,000 a year. This hub is going to be life altering for the residents who are going to be able to use it. It is just not a one stop shop. We are going to be addressing all of the possible means to help the families increase their income and really help their families move forward. Part of the Choice Neighborhoods Implementation Grant includes the hiring of Urban Strategies, Inc. They will be with us for the entire eight year project and have dedicated \$10 million to these efforts. They have seven people working on the Westside and connecting people with jobs.

Mr. Rodgers asked Attorney Noblett if he was comfortable saying today that this is a permissible use of these funds. Attorney Noblett said yes. T.C.A. 7-53-318 gives the ability for industrial development corporations to help housing opportunity developments. That was effective May 9, 2024.

**A RESOLUTION AUTHORIZING THE TRANSFER OF ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000.00) FROM THE INDUSTRIAL DEVELOPMENT BOARD IDB PILOTS FUND ACCOUNT NR14 TO THE IDB RENEWING CHATTANOOGA ACCOUNT NR17 WHICH WAS CREATED FOR ELIGIBLE CATALYTIC ECONOMIC DEVELOPMENT PROJECTS IN DISINVESTED COMMUNITIES AND FOR ECONOMIC DEVELOPMENT PROJECTS INVESTING IN OR REHABILITATION OF BLIGHTED, VACANT PROPERTIES.**

Ms. Allen said that this item would be for an accounting procedural item which will be moving monies from the Economic Development Fee Fund into the account that was created for this particular type of project. It is worth noting that moving forward, if the Board would like, we could at the end of each fiscal year fund those individual accounts. The account for instance which this would be pulled currently has a balance in it. That is where in previous years we would start July 1 of every year, look at the plan of projects we thought we would be doing, and then fund all of the accounts at the beginning of the year, and come back June 30<sup>th</sup> and report how much each of those funds are, how many grants we have in a particular fund account. We have not done that for the last four years.

It is worth having a conversation with the Board at a future education session as to how we would like those accounting funds to be set up, or we can continue to move as we are currently and additional items that we have on the agenda today. If the item is approved, then we take the monies out of the bank account and fund the fund account. Entirely up to the Board on how that works, but that is why this complimentary agenda item is on the agenda. This will be voted on at the next meeting with the companion item.

Ms. Shekari asked Attorney Noblett if we had proxy voting. Attorney Noblett said that it needed to be in person. Ms. Shekari may not be at the next meeting, and after further discussion, Ms. Shekari gave her input.

## **NEXT MEETING**

### **InterSign Innovation Grant**

On motion of Ms. Shekari, seconded by Mr. Johnson,

**A RESOLUTION AUTHORIZING AN INNOVATION GRANT PAYMENT OF TWENTY-TWO THOUSAND DOLLARS (\$22,000.00) TO INTERSIGN CORPORATION FOR THE CREATION OF TWENTY-TWO (22) NEW ELIGIBLE JOBS OVER THE PRECEDING EIGHTEEN (18) MONTHS, AS VERIFIED BY THE TENNESSEE DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT WAGE REPORT DATED DECEMBER 31, 2024; AND FOR THE IMPLEMENTATION OF INNOVATION AND INNOVATIVE EQUIPMENT SYSTEMS IN ACCORDANCE WITH CHATTANOOGA CITY CODE, PART II, CHAPTER 11, ARTICLE XVIII, SECTION 11, SUPPORTING LOCAL INNOVATION INITIATIVES TO DIVERSIFY THE CHATTANOOGA ECONOMY AND INCREASE WAGES; AND TO BE FUNDED FROM THE REMAINING CITY OF CHATTANOOGA ONE HUNDRED SEVENTY THOUSAND DOLLARS (\$170,000.00) ALLOCATION TO ACCOUNT NR18 INNOVATION Z00313.**

Ms. Allen said that the Innovation District Grant was created in 2016 and was originally created as a grant program to grow innovation in and around defined geographic areas which included the Edney Building, UTC, through downtown. At some point, roughly 2017, the boundaries were expanded to make it city wide. The goal of the program was to highlight local companies that were doing catalytic, innovative, disruptive technologies in their space. To date, we have only been awarded two of these grants. This would be the third one to come before the Board. We plan to sunset this program at the end of this year. We will have to go to City Council to sunset it because it was created by ordinance and the funds were moved over by ordinance through the City Council. That \$170,000, again, \$200,000 was moved over to start the program, we have only had a draw down of \$30,000 and moving forward we will go back to Council, ask them to sunset it, the funds will remain with the IDB, and we will come to the IDB with a new grant program to be determined as to how to use the remaining balance of \$170,000.

We do have representatives from InterSign here to give a quick presentation. Staff are recommending approval of this. As with all of our small business grant programs that come before the IDB, we verify all of the job creations, (inaudible), we verify the wage requirements on that by asking them to submit their Department of Labor wage report, and we go through those reports, confirm the jobs, and the grant amount is based on the number of jobs were eligible. In this case, the company applied for 22 positions that they felt were eligible, we confirmed those 22, and the request is for a \$22,000 grant for this particular project. The InterSign representatives were not present.

Ms. Allen said that this is a local company on Amnicola Hwy. Non-descript building, not many people know kind of what happens in this building but at the end of the day, this is a company that makes interior signage for lots of different companies that are well known. Hospitality, hotel, office space. What is important to note is that this is a company that has an exportable product or service. What they are making is they sell outside of our economy which brings new dollars into our economy.

These are the type of targeted industry companies that we like to see. While it may not look like large scale manufacturing, at the end of the day, it is manufacturing. They are making products and services and selling them outside of the City. They are an industry leader, well known, well respected, and have utilized digital technology and 3D printing to change the way that they do production which is new in this industry. Instead of going out and seeking parts from other manufacturers or parts out of the country, they are now manufacturing the small component parts in-house.

In the last 12 months alone, they have invested more than \$1 million in new digital equipment which includes training employees and moving forward they will add additional equipment as well. (See presentation attached from packet). In your packet you will see the Grant Agreement, verification of city and county license, and everything is in compliance and verified.

The motion carried

<b>ADOPTED</b>
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**AIS Systems Grant Payment for Verified Job Creation:**  
**High Growth High Jobs Investment Jobs**

On motion of Mr. Parker, seconded by Ms. Shekari,

**A RESOLUTION AUTHORIZING THE GRANT PAYMENT OF NINE THOUSAND THREE HUNDRED SEVENTY-FIVE DOLLARS (\$9,375.00) TO AIS ENCLOSURE SYSTEMS – CHATTANOOGA, LLC FOR CREATION OF TWENTY-TWO (22) FULL-TIME JOBS WITH AN AVERAGE ANNUAL WAGE OF FIFTY-NINE THOUSAND EIGHT HUNDRED THIRTY-SIX DOLLARS (\$59,836.00), AS VERIFIED BY THE TENNESSEE DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT WAGE REPORT DATED DECEMBER 31, 2024. THIS PAYMENT REPRESENTS THE FIRST OF FIVE GRANT PAYMENTS TOWARD A MAXIMUM TOTAL OF TWO HUNDRED FIVE THOUSAND DOLLARS (\$205,000.00) INCENTIVE IN ACCORDANCE WITH THE DECEMBER 2, 2024, INDUSTRIAL DEVELOPMENT BOARD (IDB) PROJECT GRANT AGREEMENT TO SUPPORT ELECTRICAL INFRASTRUCTURE GROWTH AND TALENT POOL DEVELOPMENT. THE HIGH GROWTH HIGH JOBS INVESTMENT JOBS GRANT IS PAID OUT OVER FIVE YEARS WITH VERIFICATION OF THE CREATION AND RETENTION OF JOBS EACH YEAR.**

Ms. Allen said that included in the packet is a staff report recommending approval of this item allowed under the Tennessee state statute. We are looking at 7-53-302(a)(8) which aligns with the One Chattanooga Economic Development Plan for building regional economy, attracting higher paying jobs, and targeted economic recruiting. It corresponds with the Chattanooga Climbs Higher Plan again creating more high quality jobs and developing skills.

This was as a result of the new High Growth High Jobs Program that was created at the IDB with the need to incentivize companies for retention and expansion here whether or not they are eligible for PILOTs. We anticipate having more of these come forward recognizing as we have less industrial space for development here in the City of Chattanooga and Hamilton County. Some of that being the conversion of industrial development land into land for housing. We have lost some of that. We are starting to see a shift in recruitment of smaller companies with smaller footprints but more jobs and higher wages.

As of December 31, 2024, the company is on track with job creation and capital investment. They have had \$1,062,330 capital investment completed and 18 new jobs with an average wage of \$59,836. The company has exceeded its 2024 commitments. This would be the first of five payments. This one is \$9,375; the County will pitch in and match the other half of that. We will come back in 2026 with an additional request asking for \$30,625. The way we set this up was to

come before the Board each year, typically in March or April. We verify the jobs. In the agreement it said that we would bring this to you in March. We have to verify the jobs and then confirm the retention and new creation jobs, and then we bring it forward. For future agreements, we will probably write into the agreement that we will submit the payment without coming back to the Board but provide the report to you. While this was eligible, we had to come to this board to ask for payment. Moving forward we will write into the agreement and staff will confirm the jobs, make payment, and then report to the Board.

We are asking for approval of this. We have a return on investment, and the grants funded from the Economic Development Fee Account. That is the account that has the \$2.8 million in it. We are asking for \$9,375.

Mr. Parker asked how did AIS come to know about this? Did we seek them out if the funds were available or did they know about it and applied for it? Is this the first we have seen of AIS? Ms. Allen said that this is a discretionary grant with the Chamber. If the Chamber would like to speak to how.

Mr. Adam Myers said how this project came to be working very closely with both the City and the County; this was a competitive project that came through the Chamber's (inaudible) consultant where a company was looking at corporations that were looking to expand. Knowing that this project is not eligible for a typical PILOT, we were looking at the creation of how we leverage new tools with what is available out there. We work in hand with Ms. Allen and the staff at the City to create this program specialized for this project. As we see more projects, we would like to be able to use this program in the future. The offer letter came from both mayors.

Mr. Parker asked if AIS is a corporation with multiple offices scattered around for when they decided to expand here because of this. Mr. Myers said that is correct.

Mr. Rodgers asked is this a limited liability company in good standing with Delaware and the State of Tennessee? Mr. Myers said that they are in good standing with the State of Tennessee with their corporation. A lot of companies do tend to incorporate in Delaware but does not mean they have any presence necessarily in Delaware. Mr. Myers believes that this company has presences in Texas who we were competing with the project. Originally, this agreement had come before the Board in December.

The motion carried.

<b>ADOPTED</b>
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**Chattanooga Chamber of Commerce Funding Request  
to Support a Competitive Analysis for Chattanooga**

On motion of Mr. Parker, seconded by Mr. Johnson,

**A RESOLUTION AUTHORIZING UP TO SEVENTY THOUSAND DOLLARS (\$70,000.00) TO PROVIDE MATCHING FUNDS WITH THE CITY OF CHATTANOOGA FOR A SITE SELECTOR-LED COMPETITIVE ANALYSIS FOR CHATTANOOGA'S KEY TRADED INDUSTRY TARGET SECTORS AS IDENTIFIED IN THE CHATTANOOGA CHAMBER OF COMMERCE'S CLIMBS HIGHER STRATEGIC PLAN, WITH FUNDING FROM NR16 Z00308 FOR BUSINESS DEVELOPMENT ACTIVITIES.**

Ms. Allen said that staff is recommending approval of this item and aligns with the economic development plan for both the City, One Chattanooga Plan, and the Chamber's Chattanooga Climbs Plan. It outlines the need for additional studies as our economy starts to shift. We want to do that research and we will have the Chamber come in as to why this will happen. With regard to the fiscal impact, there will be an accompanying resolution to fund the account. There is \$25,000 from the Business Development Account, which was an account that was created by the IDB in 2016, which was for business development. Moving forward, it can be used for consultant fees, studies, research. If the Board wants to visit a particular project, all of those things come under business development.

An additional \$50,000 would be transferred from the IDB Economic Development Fee Account from NR14 to NR16 for business development to fund this request. This request is for up to \$75,000. The County has been asked to participate as well. Depending on how much the County puts in, the IDB would then come in and fund up to that particular match.

Mr. Myers spoke about the research. One of things as they worked with Mayor Kelly and the team, is identifying in the One Chattanooga Plan there is a section that talks about the age in the original economy and one of the priorities is redefining our competitive edge with our trade industry clusters. Those trade industry clusters are clusters that where their sales are not based from here and are sold outside of the market, typically, the target industries that we are either trying to recruit here or help growth and expand. We would like to use the study to have an actual site selection consultant, which are groups of people and firms that are in charge of helping corporations make location decisions -- able to review our overall competitive advantages with regards to our targeted industry sectors where they will look at us and see how we score compared to pure markets on things like workforce, infrastructure, on our key assets in the region to show where we are going to be strong at, where we are going to be weak at, and that way as we look to the creation of potential future programs like the PILOT funds, they have sat there for a long time without really any activity. With this type of study we would be able to use to enhance what could those funds be going towards which would help to make us more regionally economic competitive.

The City of Chattanooga has already committed through their budgeting process for additional support for the project. With the IDB, we are asking for an up to amount is because we are looking at the overall cost, vetting out the project right now, and also asking Hamilton County for additional support. At the end of the day, we expect this process to take about six to eight months. It will not only review our traded industry clusters with how competitive we are, but also review our overall incentive policies throughout the community to see how we are competitive and how we compare pure market wise.

Lastly, Mr. Myers would say that we are not looking to putting this in a vacuum. We will likely establish a committee where a member from each organization, government body, City of Chattanooga, Industrial Development Board, and Hamilton County would all be sitting on this in terms of going through the study and purpose. Our goal would then be to bring this study back to the Board and highlight and show how competitive we are and start taking action from there.

Mr. Rodgers asks how this request for this funding does – why is this necessary – with all of the PILOT policies that we discussed for a good while, if Mr. Rodgers would call and had the matrix and, in that document, we collectively identify a target industry, and yet now this appears to be somewhat related to industry target sectors. How does this differ and why is it necessary? Mr. Myers said that this is going to take a look at the same target industries that are in those PILOT policies and go beyond just the overall what type of incentives we need but overall from a marketing standpoint from either a focus standpoint where are we missing gaps to be able to recruit and support these types of companies.

Mr. Rodgers asked who the recipient of the funds from the IDB is, if this passes. Mr. Myers said the Chattanooga Chamber Foundation because the City has been able to contract with them for one time funding for this study's purpose. Mayor Kelly was the one who specifically is asking for the study. Typically, because economies are looked at on a more regional scale and so us being able to partner with Hamilton County, the City, and even the private sector.

Mr. Myers said that Hamilton County has expressed interest in funding this but not an exact dollar amount, which is why for this request we put an up to amount. They are hoping for the amount to be split in three ways. We anticipate the study could cost anywhere from about \$140,000 potentially or a little more.

Attorney Noblett asked if Hamilton County is one of the housing opportunity counties under state law that can utilize the ability to have this type of funding? Mr. Myers is not sure he knows the answer to that with regard to the housing. There is a statute under T.C.A. Section 7-53-318 that refers to the housing opportunity of counties. Mr. Myers would have to look into that section. He is not aware of that section. Attorney Noblett said that we will be looking for that at the next meeting.

Mr. Parker asked if that would prohibit the county from participating in this. Attorney Noblett said no, it will allow the City to be able to provide those grant funds in connection with the housing opportunity county. Attorney Noblett addressed Ms. Shekari's question.

The motion carried.

**ADOPTED**

**Transfer Funds PILOT Funds to Business Development Account**

On motion of Mr. Parker, seconded by Mr. Johnson,

**A RESOLUTION AUTHORIZING THE TRANSFER OF FIFTY THOUSAND DOLLARS (\$50,000.00) FROM THE INDUSTRIAL DEVELOPMENT BOARD (IDB) PILOTS FUND ACCOUNT NR14 Z00306 TO THE IDB BUSINESS DEVELOPMENT ACCOUNT NR16. THE BUSINESS DEVELOPMENT ACCOUNT WAS CREATED BY THE IDB TO COVER ECONOMIC DEVELOPMENT-RELATED SERVICES AND FEES NECESSARY FOR ADMINISTERING PROGRAMS AND INCENTIVES.**

Ms. Allen said that this is an administrative item that is regarding the accounting of funds to make sure the Board is always aware of its voting items from which funding account items are being withdrawn and where those are being sent, and how those are being spent. Again, moving forward, Ms. Allen is working closely with Eleanor Liu who is the Financial Analyst for the IDB to make sure she reviews all of these items to say where are you getting this money and where is it going, and how do we want to track it, to make sure we are very consistent moving forward on how the monies are spent, and from which funds they are being pulled. This is an administrative item.

Mr. Parker asked where does this dollar figure come from? Is it a one time payment or a reoccurring annual payment? Ms. Allen said it is currently a one time thing. This is where in 2016 the IDB awarded at that time, funded all of the accounts once a year and this account had balance in it but not enough to cover this particular request because we are moving monies over to be able to fund this request.

Mr. Parker asked if this has been funded historically. Has the Board presented any funds to do exactly what you are asking for development related services and fees? Mr. Parker has been here four or five years and this is the first he has ever seen. Was this ever funded in the past and why today? Ms. Allen said it is not. In 2016, the IDB awarded at the time created this business development account. Put \$50,000 into it thinking we might need it for a foundry sand assessment or application for a grant for Brownfield remediation, but it was never used. It is sitting in this account. When we talk about for instance there being \$2.8 million in economic development fees, we also have funds in these other accounts that were allocated in previous years that have not been drawn down. This had an existing \$25,000 in it from 2016 that has never been spent and now we are adding \$50,000 to it in order to meet this \$75,000 request.

Mr. Rodgers asked why it is necessary for us as a board to have these multiple accounts as opposed to just one? Ms. Allen said that would be a finance – Ms. Allen will have finance weigh in on that but historically, the way it was used in 2016 through 2018, it was July 1, the staff would bring to the Board an overview of existing programs and staff would say under small business programs we anticipate 15 small business grants this year, the average small business grant is \$10,000, and as a result we want to fund that account with \$150,000 to be able to facilitate all of those projects. We would anticipate for instance because of the activity that was happening in the innovation district, we are asking the City to move over \$200,000 because of the grants we anticipate coming in.

That was how it worked then, which was an annual plan of business and a corresponding budget that was put together for those different accounts and programs. That would leave a balance, which is why you have a balance with some of those accounts. We do not have to do it that way moving forward. It also provided buckets that were clearly defined so when an item came in like the item for Renew Chattanooga that we heard the presentation earlier from the Housing Authority, there was an account that was created called Renew Chattanooga that would allow us to do things in disadvantaged communities, blighted projects, or vacant lots. We created sort of verticals and then funded them. We have not operated that way, the Board has not operated that way since 2018, 2019, around COVID things changed and it has been as a request comes up, we sort of entertain the request, the agenda item, we figure out the funding, and finance the request.

Mr. Parker asked to clarify if this \$50,000 in line number 10, the \$50,000 is funding the \$70,000 voted on or not, is that correct, or are these two different? Ms. Allen said that \$50,000 is funding up to \$70,000. It was mentioned for the \$75,000 so there is about \$25,000 in the current balance. Ms. Allen said correct. This \$50,000 will top it off to be enough to cover. Ms. Allen said correct.

Mr. Johnson asked if the Board has an annual financial report. Ms. Allen said at the previous board meeting, the Board had an accounting quarterly. The Board quarterly receives a status for all of the funds and then on July 1 of every year once everything is reconciled June 30<sup>th</sup>, July 1 of every year there is a presentation that goes over all of the accounts. Attorney Noblett said it has to be given to the state. Ms. Allen said correct.

The motion carried.

<b>ADOPTED</b>
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## **OTHER BUSINESS**

Ms. Allen introduced Mr. Andrew Hudson. The City of Chattanooga has hired our new Director of Workforce Development Strategy, Mr. Andrew Hudson, who joins us. Mr. Hudson will be working with us moving forward on verification of jobs related to PILOTs. He will also be working on PILOT reporting moving forward so if there is a PILOT that is creating jobs what does the associated reporting look like so that we know when the agreement is signed, what that company is going to be held to as far as the job creation, wages, and pathways related to those. He will also be working on apprentice incentives and looking at other incentives that are related to job creation following the current Small Business Incentive Grant Program.

Mr. Hudson said he was here last year working in the capacity as a non-profit and has been working for the last two years in Workforce Development in Chattanooga. Previously with Chattanooga 2.0 and is happy to continue working in this space and is excited to make sure that our economic development is tying closely with those jobs that are being created and making sure that more Chattanoogaans get access to those jobs and also making sure that we are getting the most out of those. Mr. Hudson is very excited to be here and looks forward to having many conversations with the Board.

There being no further business, a motion was made by Mr. Johnson, seconded by Mr. Parker, and the meeting adjourned at 12:00 noon.

APPROVED:

\_\_\_\_\_, *Secretary*

\_\_\_\_\_, *Chair*

**CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD**  
**ECD - VOLKSWAGEN INCENTIVE PROJECT**  
**VW FUNDING PROGRESS SUMMARY**  
**As of Jun 25, 2025**

FIRST MOU	Final Grant Budget Amount	PJTD Expenditures As of Jun 25, 2025	Encumbrances As of Jun 25, 2025	Available Budget (Over Expenditures & Encumbrances)	% Spent, Encumbered & Contingencies	Grant Status
6.1 Site Preparation - State	92,919,998	92,919,998	-	-	100.00%	Ended 6/30/2015
6.2 Infrastructure - State	72,795,525	72,795,525	-	-	100.00%	Ended 6/30/2015
7.4 Training Facility - State	39,995,942	39,995,942	-	-	100.00%	Ended 6/30/2015
9.10 Marketing & Public Relations - State	1,965,905	1,965,905	-	-	100.00%	Ended 4/30/2017
<b>TOTAL STATE FUNDING</b>	<b>207,677,370</b>	<b>207,677,370</b>	<b>-</b>	<b>-</b>	<b>100.00%</b>	
6.2 Infrastructure - Local (Hamilton County & City of Chattanooga)	40,000,000	40,000,000	-	-	100.00%	Ended 2/26/2025
9.5 Welcome Center - Local (VW decided not to build it)	-	-	-	-	N/A	
<b>TOTAL LOCAL FUNDING</b>	<b>40,000,000</b>	<b>40,000,000</b>	<b>-</b>	<b>-</b>	<b>100.00%</b>	
<b>TOTAL FUNDING</b>	<b>247,677,370</b>	<b>247,677,369</b>	<b>-</b>	<b>-</b>	<b>100.00%</b>	

SECOND MOU	Final Grant Budget Amount	PJTD Expenditures As of Jun 25, 2025	Encumbrances As of Jun 25, 2025	Available Budget (Over Expenditures & Encumbrances)	% Spent, Encumbered & Contingencies	Grant Status
3.1 Facility Development - State	168,877,867	168,877,867	-	-	100.00%	Ended 3/6/2020
<b>TOTAL STATE FUNDING</b>	<b>168,877,867</b>	<b>168,877,867</b>	<b>-</b>	<b>-</b>	<b>100.00%</b>	
VW SUV - Local (Hamilton County & City of Chattanooga)	52,500,000	52,284,571	-	215,429	99.59%	Ongoing
<b>TOTAL LOCAL FUNDING</b>	<b>52,500,000</b>	<b>52,284,571</b>	<b>-</b>	<b>215,429</b>	<b>99.59%</b>	
<b>TOTAL FUNDING</b>	<b>221,377,867</b>	<b>221,162,438</b>	<b>-</b>	<b>215,429</b>	<b>99.90%</b>	

THIRD MOU & LETTER OF INTENT (LOI)	Final Grant Budget Amount	PJTD Expenditures As of Jun 25, 2025	Encumbrances As of Jun 25, 2025	Available Budget (Over Expenditures & Encumbrances)	% Spent, Encumbered & Contingencies	Grant Status
Electric Vehicle Expansion - State	50,000,000	50,000,000	-	-	100.0%	Ended 1/10/2024
<b>TOTAL STATE FUNDING</b>	<b>50,000,000</b>	<b>50,000,000</b>	<b>-</b>	<b>-</b>	<b>100.0%</b>	
Electric Vehicle Expansion (Hamilton County & City of Chattanooga)	5,000,000	-	-	5,000,000	0.00%	Ongoing
<b>TOTAL LOCAL FUNDING</b>	<b>5,000,000</b>	<b>-</b>	<b>-</b>	<b>5,000,000</b>	<b>0.00%</b>	
<b>TOTAL FUNDING</b>	<b>55,000,000</b>	<b>50,000,000</b>	<b>-</b>	<b>5,000,000</b>	<b>90.91%</b>	

FIRST MOU, SECOND MOU, THIRD MOU & LOI	Final Grant Budget Amount	PJTD Expenditures As of Jun 25, 2025	Encumbrances As of Jun 25, 2025	Available Budget (Over Expenditures & Encumbrances)	% Spent, Encumbered & Contingencies	
<b>TOTAL FUNDING</b>	<b>524,055,237</b>	<b>518,839,807</b>	<b>-</b>	<b>5,215,429</b>	<b>99.00%</b>	

These reports are intended to represent the budgets available to the IDB and do not reflect the entire incentive package.

**CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD**  
**ECD - VOLKSWAGEN INCENTIVE PROJECT**  
**VW FUNDING PROGRESS SUMMARY**  
**As of Jun 25, 2025**

FIRST MOU	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Contract Amount	Adj. For Grant Amount Not Expended at Grant Expiration Date	Final Grant Budget Amount	PJTD Expenditures As of Mar 27, 2025	Current Expenditures	PJTD Expenditures As of Jun 25, 2025	Encumbrances As of Jun 25, 2025	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	% Spent, Encumbered & Contingencies
6.1 Site Preparation - State <sup>1</sup>	79,614,864	16,405,000	96,019,864	(3,099,867)	92,919,998	92,919,998	-	92,919,998	-	-	100.00%	100.00%
6.2 Infrastructure - State <sup>1</sup>	70,000,000	2,795,525	72,795,525	-	72,795,525	72,795,525	-	72,795,525	-	-	100.00%	100.00%
7.4 Training Facility - State <sup>1</sup>	40,000,000	-	40,000,000	(4,058)	39,995,942	39,995,942	-	39,995,942	-	-	100.00%	100.00%
9.10 Marketing & Public Relations - State <sup>1</sup>	1,966,200	(275)	1,965,925	(20)	1,965,905	1,965,905	-	1,965,905	-	-	100.00%	100.00%
<b>TOTAL STATE FUNDING</b>	<b>191,581,064</b>	<b>19,200,250</b>	<b>210,781,314</b>	<b>(3,103,945)</b>	<b>207,677,370</b>	<b>207,677,370</b>	<b>-</b>	<b>207,677,370</b>	<b>-</b>	<b>-</b>	<b>100.00%</b>	<b>100.00%</b>
6.2 Infrastructure - Local <sup>2</sup>	40,000,000	-	40,000,000	N/A	40,000,000	39,999,999	-	40,000,000	-	-	100.00%	100.00%
9.5 Welcome Center - Local	6,000,000	(6,000,000)	-	-	-	-	-	-	-	-	N/A	N/A
<b>TOTAL LOCAL FUNDING</b>	<b>46,000,000</b>	<b>(6,000,000)</b>	<b>40,000,000</b>	<b>-</b>	<b>40,000,000</b>	<b>39,999,999</b>	<b>-</b>	<b>40,000,000</b>	<b>-</b>	<b>-</b>	<b>100.00%</b>	<b>100.00%</b>
<b>TOTAL IDB FUNDING FOR FIRST MOU</b>	<b>237,581,064</b>	<b>13,200,250</b>	<b>250,781,314</b>	<b>(3,103,945)</b>	<b>247,677,370</b>	<b>247,677,369</b>	<b>-</b>	<b>247,677,369</b>	<b>-</b>	<b>-</b>	<b>100.00%</b>	<b>100.00%</b>

<sup>1</sup> State grant 6.1, 6.2, and 7.4 ended on 6/30/2015; State grant 9.10 ended on 4/30/2017. Total of these four State grants per grant contract is \$210,781,314. \$3,103,945 was not used.

<sup>2</sup> Total local infrastructure does not include 6.3 Public roads and 6.4 Railway Lines as they are not managed by the IDB.

<sup>5</sup> Local grant ended on 2/26/2025

SECOND MOU	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Total Amended Budget	Adj. For Grant Amount Not Expended at Grant Expiration Date	Final Grant Budget Amount	PJTD Expenditures As of Mar 27, 2025	Current Expenditures	PJTD Expenditures As of Jun 25, 2025	Encumbrances As of Jun 25, 2025	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	% Spent, Encumbered & Contingencies
3.1 Facility Development - State <sup>3</sup>	165,778,000	3,099,867	168,877,867	N/A	168,877,867	168,877,867	-	168,877,867	-	-	100.00%	100.00%
<b>TOTAL STATE FUNDING</b>	<b>165,778,000</b>	<b>3,099,867</b>	<b>168,877,867</b>	<b>N/A</b>	<b>168,877,867</b>	<b>168,877,867</b>	<b>-</b>	<b>168,877,867</b>	<b>-</b>	<b>-</b>	<b>100.00%</b>	<b>100.00%</b>
VW SUV - Local	52,500,000	-	52,500,000	N/A	52,500,000	52,284,571	-	52,284,571	-	215,429	99.59%	99.59%
<b>TOTAL LOCAL FUNDING</b>	<b>52,500,000</b>	<b>-</b>	<b>52,500,000</b>	<b>N/A</b>	<b>52,500,000</b>	<b>52,284,571</b>	<b>-</b>	<b>52,284,571</b>	<b>-</b>	<b>215,429</b>	<b>99.59%</b>	<b>99.59%</b>
<b>TOTAL IDB FUNDING FOR SECOND MOU</b>	<b>218,278,000</b>	<b>3,099,867</b>	<b>221,377,867</b>	<b>N/A</b>	<b>221,377,867</b>	<b>221,162,438</b>	<b>-</b>	<b>221,162,438</b>	<b>-</b>	<b>215,429</b>	<b>99.90%</b>	<b>99.90%</b>

<sup>3</sup> State grant 3.1 ended on 3/6/2020

THIRD MOU	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Total Amended Budget	Adj. For Grant Amount Not Expended at Grant Expiration Date	Final Grant Budget Amount	PJTD Expenditures As of Mar 27, 2025	Current Expenditures	PJTD Expenditures As of Jun 25, 2025	Encumbrances As of Jun 25, 2025	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	% Spent, Encumbered & Contingencies
Electric Vehicle Expansion <sup>4</sup>	50,000,000	-	50,000,000	N/A	50,000,000	50,000,000	-	50,000,000	-	-	100.0%	100.0%
<b>TOTAL STATE FUNDING</b>	<b>50,000,000</b>	<b>-</b>	<b>50,000,000</b>	<b>N/A</b>	<b>50,000,000</b>	<b>50,000,000</b>	<b>-</b>	<b>50,000,000</b>	<b>-</b>	<b>-</b>	<b>100.0%</b>	<b>100.0%</b>
Electric Vehicle Expansion	5,000,000	-	5,000,000	N/A	5,000,000	-	-	-	-	5,000,000	0.00%	0.00%
<b>TOTAL LOCAL FUNDING</b>	<b>5,000,000</b>	<b>-</b>	<b>5,000,000</b>	<b>N/A</b>	<b>5,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,000,000</b>	<b>0.00%</b>	<b>0.00%</b>
<b>TOTAL IDB FUNDING FOR THIRD MOU</b>	<b>55,000,000</b>	<b>-</b>	<b>55,000,000</b>	<b>N/A</b>	<b>55,000,000</b>	<b>50,000,000</b>	<b>-</b>	<b>50,000,000</b>	<b>-</b>	<b>5,000,000</b>	<b>90.91%</b>	<b>90.91%</b>

<sup>4</sup> State grant ended on 1/10/2024

FIRST & SECOND & THIRD MOU & LOI	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Total Amended Budget	Adj. For Grant Amount Not Expended at Grant Expiration Date	Final Grant Budget Amount	PJTD Expenditures As of Mar 27, 2025	Current Expenditures	PJTD Expenditures As of Jun 25, 2025	Encumbrances As of Jun 25, 2025	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	% Spent, Encumbered & Contingencies
<b>TOTAL IDB FUNDING FOR FIRST &amp; SECOND &amp; THIRD MOU</b>	<b>510,859,064</b>	<b>16,300,117</b>	<b>527,159,181</b>	<b>(3,103,945)</b>	<b>524,055,237</b>	<b>518,839,807</b>	<b>-</b>	<b>518,839,807</b>	<b>-</b>	<b>5,215,429</b>	<b>99.00%</b>	<b>99.00%</b>

These reports are intended to represent the budgets available to the IDB and do not reflect the entire incentive package.

CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD  
ECD - VOLKSWAGEN INCENTIVE PROJECT  
STATE FUNDING PROGRESS REPORT - FIRST MOU  
As of Jun 25, 2025

Description	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Contract Amount	Adj. For Grant Amount Not Expended at Grant Expiration Date	Final Grant Budget Amount	PJTD Expenditures As of Mar 27, 2025	Current Expenditures	PJTD Expenditures As of Jun 25, 2025	Encumbrances As of Jun 25, 2025	Change in Encumbrances	Encumbrances As of Jun 25, 2025	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	% Spent, Encumbered & Contingencies
<b>----- GRANT ENDED 6/30/2015 -----</b>														
<b>6.1 SITE PREPARATION</b>														
Clearing, Grubbing & Mass Grading	1,664,957	-	1,664,957	-	1,664,957	1,664,957	-	1,664,957	-	-	-	-	100%	100%
Grubbing & Erosion Control	2,704,391	-	2,704,391	(110,911)	2,593,480	2,593,480	-	2,593,480	-	-	-	-	100%	100%
Fine Grading (Site Pad)	50,428,531	8,949,529	59,378,060	(312,448)	59,065,612	59,065,612	-	59,065,612	-	-	-	-	100%	100%
Stone Pad	7,483,865	-	7,483,865	-	7,483,865	7,483,865	-	7,483,865	-	-	-	-	100%	100%
Stream Relocation	5,436,511	-	5,436,511	83,275	5,519,786	5,519,786	-	5,519,786	-	-	-	-	100%	100%
Detention Pond	997,907	3,604,471	4,602,378	(1,424,905)	3,177,473	3,177,473	-	3,177,473	-	-	-	-	100%	100%
North Area	-	2,358,855	2,358,855	(1,613,304)	745,551	745,551	-	745,551	-	-	-	-	100%	100%
Construction Access Roads	718,565	-	718,565	-	718,565	718,565	-	718,565	-	-	-	-	100%	100%
Rammed Aggregate Piers	1,874,615	-	1,874,615	-	1,874,615	1,874,615	-	1,874,615	-	-	-	-	100%	100%
Design, RPR, Survey, Testing, Project Support	8,305,522	1,492,145	9,797,667	278,426	10,076,093	10,076,093	-	10,076,093	-	-	-	-	100%	100%
<b>TOTAL 6.1 SITE PREPARATION *</b>	<b>79,614,864</b>	<b>16,405,000</b>	<b>96,019,864</b>	<b>(3,099,867)</b>	<b>92,919,998</b>	<b>92,919,998</b>	<b>-</b>	<b>92,919,998</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100%</b>	<b>100%</b>
<b>----- GRANT ENDED 6/30/2015 -----</b>														
<b>6.2 INFRASTRUCTURE</b>														
VW Test Track	1,915,000	-	1,915,000	(9,482)	1,905,518	1,905,518	-	1,905,518	-	-	-	-	100%	100%
VW Electric Transformer Station	10,945,000	-	10,945,000	(9,690)	10,935,310	10,935,310	-	10,935,310	-	-	-	-	100%	100%
VW Mixing Yard	10,025,000	-	10,025,000	1,819,244	11,844,244	11,844,244	-	11,844,244	-	-	-	-	100%	100%
VW Parking Lots for Employees	12,700,000	2,091,000	14,791,000	(1,613,586)	13,177,414	13,177,414	-	13,177,414	-	-	-	-	100%	100%
VW Tank Farm (Fluids Storage) & Utilities	30,445,000	-	30,445,000	(17,473)	30,427,527	30,427,527	-	30,427,527	-	-	-	-	100%	100%
VW Planning, Engineering, Etc	3,970,000	245,855	4,215,855	(38,079)	4,177,776	4,177,776	-	4,177,776	-	-	-	-	100%	100%
North Area Grading	-	368,145	368,145	(130,935)	237,210	237,210	-	237,210	-	-	-	-	100%	100%
North Area Non-reimbursable	-	90,525	90,525	-	90,525	90,525	-	90,525	-	-	-	-	100%	100%
<b>TOTAL 6.2 INFRASTRUCTURE</b>	<b>70,000,000</b>	<b>2,795,525</b>	<b>72,795,525</b>	<b>-</b>	<b>72,795,525</b>	<b>72,795,525</b>	<b>-</b>	<b>72,795,525</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100%</b>	<b>100%</b>
<b>Subtotal State (6.1 &amp; 6.2)</b>	<b>149,614,864</b>	<b>19,200,525</b>	<b>168,815,389</b>	<b>(3,099,867)</b>	<b>165,715,523</b>	<b>165,715,522</b>	<b>-</b>	<b>165,715,522</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100%</b>	<b>100%</b>



CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD  
ECD - VOLKSWAGEN INCENTIVE PROJECT  
STATE FUNDING PROGRESS REPORT - FIRST MOU  
As of Jun 25, 2025

Description	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Contract Amount	Adj. For Grant Amount Not Expended at Grant Expiration Date	Final Grant Budget Amount	PJTD Expenditures As of Mar 27, 2025	Current Expenditures	PJTD Expenditures As of Jun 25, 2025	Encumbrances As of Jun 25, 2025	Change in Encumbrances	Encumbrances As of Jun 25, 2025	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	% Spent, Encumbered & Contingencies
<b>7.4 TRAINING FACILITY</b> <span style="float: right;">----- GRANT ENDED 6/30/2015 -----</span>														
Training Center	22,900,000	148,110	23,048,110	-	23,048,110	23,048,110	-	23,048,110	-	-	-	-	100%	100%
Equipment for Training Center	13,500,000	(327,889)	13,172,111	(4,058)	13,168,053	13,168,053	-	13,168,053	-	-	-	-	100%	100%
Related Planning Cost	3,600,000	179,779	3,779,779	-	3,779,779	3,779,779	-	3,779,779	-	-	-	-	100%	100%
<b>Total 7.4 ST. TRAINING FACILITY</b>	<b>40,000,000</b>	<b>-</b>	<b>40,000,000</b>	<b>(4,058)</b>	<b>39,995,942</b>	<b>39,995,942</b>	<b>-</b>	<b>39,995,942</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100%</b>	<b>100%</b>
<b>9.10 MARKETING &amp; PUBLIC RELATIONS</b> <span style="float: right;">----- GRANT ENDED 4/30/2017 -----</span>														
9.10 Visitor's Center **	200,000	(275)	199,725	-	199,725	199,725	-	199,725	-	-	-	-	100%	100%
9.10 Capital Purchase (Roof Sign)	239,580	(30,460)	209,120	-	209,120	209,120	-	209,120	-	-	-	-	100%	100%
9.10 Capital Purchase & Professional Fees (Admin & Planning)	26,620	(15,204)	11,416	(20)	11,397	11,397	-	11,397	-	-	-	-	100%	100%
9.10 Professional Fees, Grant & Award (Education partnership)	1,500,000	(500,000)	1,000,000	-	1,000,000	1,000,000	-	1,000,000	-	-	-	-	100%	100%
9.10 Salaries, Benefits & Taxes (Plant Tours)	-	27,117	27,117	-	27,117	27,117	-	27,117	-	-	-	-	100%	100%
9.10 Professional Fees, Grants & Award (Marketing Expenses)	-	518,547	518,547	-	518,547	518,547	-	518,547	-	-	-	-	100%	100%
<b>Total 9.10 MARKETING &amp; PUBLIC RELATIONS</b>	<b>1,966,200</b>	<b>(275)</b>	<b>1,965,925</b>	<b>(20)</b>	<b>1,965,905</b>	<b>1,965,905</b>	<b>-</b>	<b>1,965,905</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100%</b>	<b>100%</b>
<b>TOTAL ALL STATE FUNDS</b>	<b>191,581,064</b>	<b>19,200,250</b>	<b>210,781,314</b>	<b>(3,103,945)</b>	<b>207,677,370</b>	<b>207,677,370</b>	<b>-</b>	<b>207,677,370</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100%</b>	<b>100%</b>

These reports are intended to represent the budgets available to the IDB and do not reflect the entire incentive package.

**CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD**  
**ECD - VOLKSWAGEN INCENTIVE PROJECT**  
**LOCAL FUNDING PROGRESS REPORT - FIRST MOU**  
**As of Jun 25, 2025**

Description	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Grant Budget Amount	PJTD Expenditures As of Mar 27, 2025	Current Expenditures	PJTD Expenditures As of Jun 25, 2025	Encumbrances As of Jun 25, 2025	Change in Encumbrances	Encumbrances As of Jun 25, 2025	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	% Spent, Encumbered & Contingencies
VW Streets, Lanes, etc., including Helipad	8,345,835	-	8,345,835	8,345,835	-	8,345,835	-	-	-	-	100.00%	100.00%
VW Railroads, Loading Dept	10,080,801	-	10,080,801	10,080,801	-	10,080,801	-	-	-	-	100.00%	100.00%
VW Fire Dept Building, garage and equipment	3,070,609	-	3,070,609	3,070,609	-	3,070,609	-	-	-	-	100.00%	100.00%
VW Construction Lanes	1,640,533	-	1,640,533	1,640,533	-	1,640,533	-	-	-	-	100.00%	100.00%
VW Guard House and Fence	1,310,219	-	1,310,219	1,310,219	-	1,310,219	-	-	-	-	100.00%	100.00%
Drive Around Property	553,714	-	553,714	553,714	-	553,714	-	-	-	-	100.00%	100.00%
Scrap Yard	118,933	-	118,933	118,933	-	118,933	-	-	-	-	100.00%	100.00%
VW Water, Waste & Stormwater	6,093,236	-	6,093,236	6,093,236	-	6,093,236	-	-	-	-	100.00%	100.00%
VW Gas, Telecom, Power (Additional Utility Infra)	1,120,472	-	1,120,472	1,120,472	-	1,120,472	-	-	-	-	100.00%	100.00%
VW Planning, Engineering, Etc	7,665,648	-	7,665,648	7,665,648	-	7,665,648	-	-	-	-	100.00%	100.00%
<b>TOTAL 6.2 INFRASTRUCTURE - LOCAL FUNDING</b>	<b>40,000,000</b>	<b>-</b>	<b>40,000,000</b>	<b>39,999,999</b>	<b>-</b>	<b>40,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100.00%</b>	<b>100.00%</b>

----- GRANT ENDED 2/26/2025 -----

Welcome Center	6,000,000	(6,000,000)	-	-	-	-	-	-	-	-	N/A	N/A
<b>TOTAL 9.5 OTHER LOCAL FUNDING</b>	<b>6,000,000</b>	<b>(6,000,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>N/A</b>	<b>N/A</b>
<b>TOTAL LOCAL FUNDINGS (Managed by IDB) *</b>	<b>46,000,000</b>	<b>(6,000,000)</b>	<b>40,000,000</b>	<b>39,999,999</b>	<b>-</b>	<b>40,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100.00%</b>	<b>100.00%</b>

These reports are intended to represent the budgets available to the IDB and do not reflect the entire incentive package.

\* Total local infrastructure does not include 6.3 Public roads and 6.4 Railway Lines as they are not managed by the IDB.

Changes Since Prior Report - FIRST MOU								
As of Jun 25, 2025								
		Expenditures		Encumbrances		Change		
		This Report	Last Report	This Report	Last Report	Expenditures	Encumbrances	Comments
Z10101	Clearing, Grubbing & Mass Grading	1,664,957	1,664,957	-	-	-	-	
Z10102	Grubbing & Erosion Control	2,593,480	2,593,480	-	-	-	-	
Z10103	Fine Grading (Site Pad)	59,065,612	59,065,612	-	-	-	-	
Z10104	Stone Pad	7,483,865	7,483,865	-	-	-	-	
Z10105	Stream Relocation	5,519,786	5,519,786	-	-	-	-	
Z10106	Detention Pond	3,177,473	3,177,473	-	-	-	-	
Z10107	North Area	745,551	745,551	-	-	-	-	
Z10109	Construction Access Roads	718,565	718,565	-	-	-	-	
Z10110	Rammed Aggregate Piers	1,874,615	1,874,615	-	-	-	-	
Z10111	Design, RPR, Survey, Testing & Project Support	10,076,093	10,076,093	-	-	-	-	
<b>TOTAL 6.1 SITE PREPARATION</b>		<b>92,919,998</b>	<b>92,919,998</b>	-	-	-	-	Grant ended 6/30/2015
Z10301	VW Test Track	1,905,518	1,905,518	-	-	-	-	
Z10306	VW Electric Transformer Station	10,935,310	10,935,310	-	-	-	-	
Z10307	VW Mixing Yard	11,844,244	11,844,244	-	-	-	-	
Z10308	VW Parking Lots for Employees	13,177,414	13,177,414	-	-	-	-	
Z10312	VW Tank Farm (Fluids Storage) & Utilities	30,427,527	30,427,527	-	-	-	-	
Z10315	VW Planning, Engineering, Etc	4,177,776	4,177,776	-	-	-	-	
Z10316	North Area Grading	237,210	237,210	-	-	-	-	
Z10317	North Area Non-reimbursable	90,525	90,525	-	-	-	-	
<b>TOTAL 6.2 INFRASTRUCTURE</b>		<b>72,795,525</b>	<b>72,795,525</b>	-	-	-	-	Grant ended 6/30/2015
Z10601	Training Center	23,048,110	23,048,110	-	-	-	-	
Z10602	Equipment for Training Ctr	13,168,053	13,168,053	-	-	-	-	
Z10603	Related Planning Cost	3,779,779	3,779,779	-	-	-	-	
<b>TOTAL 7.4 ST. TRAINING FACILITY</b>		<b>39,995,942</b>	<b>39,995,942</b>	-	-	-	-	Grant ended 6/30/2015
Z00701	Visitor's Center	199,725	199,725	-	-	-	-	
Z00702								
Z00703	Capital Purchase (Roof Sign)	209,120	209,120	-	-	-	-	
Z00704	Capital Purchase & Professional Fees (Admin & Planning)	11,397	11,397	-	-	-	-	
Z00705	Professional Fees, Grant & Award (Education partnership)	1,000,000	1,000,000	-	-	-	-	
Z00706	Salaries, Benefits & Taxes (Plant Tours)	27,117	27,117	-	-	-	-	
Z00707	Professional Fees, Grants & Award (Marketing Expenses)	518,547	518,547	-	-	-	-	
<b>TOTAL 9.10 MARKETING &amp; PUBLIC RELATIONS</b>		<b>1,965,905</b>	<b>1,965,905</b>	-	-	-	-	Grant ended 4/30/2017

Changes Since Prior Report - FIRST MOU								
As of Jun 25, 2025								
		Expenditures		Encumbrances		Change		
		This Report	Last Report	This Report	Last Report	Expenditures	Encumbrances	Comments
Z10401	VW Streets, Lanes, etc., including Helipad	8,345,835	8,345,835	-	-	-	-	
Z10402	VW Railroads, Loading Dept	10,080,801	10,080,801	-	-	-	-	
Z10403	VW Fire Dept Building, garage and equipment	3,070,609	3,070,609	-	-	-	-	
Z10404	VW Construction Lanes	1,640,533	1,640,533	-	-	-	-	
Z10405	VW Guard House and Fence	1,310,219	1,310,219	-	-	-	-	
Z10409	VW Drive Around Property	553,714	553,714	-	-	-	-	
Z10411	VW Scrap Yard	118,933	118,933	-	-	-	-	
Z10412	VW Water, Waste & Stormwater	6,093,236	6,093,236	-	-	-	-	
Z10413	VW Gas, Telecom, Power (Additional Utility Infra)	1,120,472	1,120,472	-	-	-	-	
Z10415	VW Planning, Engineering, Etc	7,665,648	7,665,648	-	-	-	-	
TOTAL 6.2 INFRASTRUCT LOCAL FUNDING		40,000,000	39,999,999	-	-	-	-	
Z00801	Welcome Center	-	-	-	-	-	-	
TOTAL 9.5 WELCOME CTR LOCAL FUNDING		-	-	-	-	-	-	
TOTAL		247,677,369	247,677,369	-	-	-	-	

CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD  
ECD - VOLKSWAGEN INCENTIVE PROJECT  
STATE FUNDING PROGRESS REPORT - SECOND MOU  
As of Jun 25, 2025

Description	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Grant Budget Amount	PJTD Expenditures As of Mar 27, 2025	Current Expenditures	PJTD Expenditures As of Jun 25, 2025	Encumbrances As of Jun 25, 2025	Change in Encumbrances	Encumbrances As of Jun 25, 2025	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	% Spent, Encumbered & Contingencies
Infrastructure I	22,271,000	6,649,804	28,920,804	24,714,941	-	24,714,941	-	-	-	4,205,863	85.46%	85.46%
Manufacturing Equipment	140,635,000	(677,937)	139,957,063	144,162,926	-	144,162,926	-	-	-	(4,205,863)	103.01%	103.01%
<b>TOTAL 3.1 FACILITY DEVELOPMENT</b>	<b>165,778,000</b>	<b>3,099,867</b>	<b>168,877,867</b>	<b>168,877,867</b>	-	<b>168,877,867</b>	-	-	-	-	100.00%	<b>100.00%</b>
<b>TOTAL STATE FUNDS</b>	<b>165,778,000</b>	<b>3,099,867</b>	<b>168,877,867</b>	<b>168,877,867</b>	-	<b>168,877,867</b>	-	-	-	-	<b>100.00%</b>	<b>100.00%</b>

----- GRANT ENDED 3/6/2020 -----

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CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD  
ECD - VOLKSWAGEN INCENTIVE PROJECT  
LOCAL FUNDING PROGRESS REPORT - SECOND MOU  
As of Jun 25, 2025

Description	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Grant Budget Amount	PJTD Expenditures As of Mar 27, 2025	Current Expenditures	PJTD Expenditures As of Jun 25, 2025	Encumbrances As of Jun 25, 2025	Change in Encumbrances	Encumbrances As of Jun 25, 2025	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	% Spent, Encumbered & Contingencies
Major Underground Additions	723,725	(267,894)	455,831	455,831	-	455,831	-	-	-	-	100.00%	100.00%
Paint Shop Capacity Increase	1,344,385	241,357	1,585,742	1,585,742	-	1,585,742	-	-	-	-	100.00%	100.00%
Production and Logistics Building Addition	22,802,333	207,197	23,009,530	23,009,530	-	23,009,530	-	-	-	-	100.00%	100.00%
Assembly Finish Building Extension & Infra.	8,590,958	295,658	8,886,616	8,886,616	-	8,886,616	-	-	-	-	100.00%	100.00%
Technical Center Pilot Program Extension	4,968,082	(253,229)	4,714,853	4,714,853	-	4,714,853	-	-	-	-	100.00%	100.00%
Body Shop Robots Fixtures Integration	2,460,223	2,979,843	5,440,066	5,420,707	-	5,420,707	-	-	-	19,359	99.64%	99.64%
VW SUV B Planning Costs	7,425,329	578,553	8,003,882	7,863,634	-	7,863,634	-	-	-	140,248	98.25%	98.25%
VW SUV B Contingency	1,085,098	(1,085,098)	-	-	-	-	-	-	-	-	0.00%	0.00%
VW SUV B Site Preparation	3,099,867	(2,696,387)	403,480	347,658	-	347,658	-	-	-	55,822	86.16%	86.16%
<b>TOTAL 6.1 VW SUV - LOCAL FUNDING</b>	<b>52,500,000</b>	<b>-</b>	<b>52,500,000</b>	<b>52,284,571</b>	<b>-</b>	<b>52,284,571</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>215,429</b>	<b>99.59%</b>	<b>99.59%</b>
<b>TOTAL LOCAL FUNDINGS (Managed by IDB)</b>	<b>52,500,000</b>	<b>-</b>	<b>52,500,000</b>	<b>52,284,571</b>	<b>-</b>	<b>52,284,571</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>215,429</b>	<b>99.59%</b>	<b>99.59%</b>

These reports are intended to represent the budgets available to the IDB and do not reflect the entire incentive package.

Changes Since Prior Report - SECOND MOU										
As of Jun 25, 2025					Expenditures		Encumbrances		Change	
		This Report	Last Report	This Report	Last Report	Expenditures	Encumbrances			
Z01001	Infrastructure I	24,714,941.48	24,714,941.48	-	-	-	-			
Z01003	Manufacturing Equipment	144,162,925.72	144,162,925.72	-	-	-	-			
TOTAL 3.1 FACILITY DEVELOPMENT - STATE		168,877,867	168,877,867	-	-	-	-	Grant ended 3/6/2020		
Z00902	Major Underground Additions	455,831.00	455,831.00	-	-	-	-			
Z00904	Paint Shop Capacity Increase	1,585,741.95	1,585,741.95	-	-	-	-			
Z00905	Production and Logistics Building Addition	23,009,530.27	23,009,530.27	-	-	-	-			
Z00906	Assembly Finish Building Extension & Infra.	8,886,616.12	8,886,616.12	-	-	-	-			
Z00907	Technical Center Pilot Program Extension	4,714,852.72	4,714,852.72	-	-	-	-			
Z00913	Body Shop Robots Fixtures Integration	5,420,706.50	5,420,706.50	-	-	-	-			
Z00918	VW SUV B Planning Costs	7,863,634.37	7,863,634.37	-	-	-	-			
Z00919	VW SUV B Contingency	-	-	-	-	-	-			
Z00920	VW SUV B Site Preparation	347,658.09	347,658.09	-	-	-	-			
TOTAL 1.1 VW SUV - LOCAL FUNDING		52,284,571	52,284,571	-	-	-	-			
Contingency										
		This Report	Last Report	Change	Comments					
Z00919	VW SUV B Contingency	-	-	-						
TOTAL		221,162,438	221,162,438	-	-	-	-			

**CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD**  
**ECD - VOLKSWAGEN INCENTIVE PROJECT**  
**STATE FUNDING PROGRESS REPORT - THIRD MOU**  
**As of Jun 25, 2025**

Description	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Grant Budget Amount	PJTD Expenditures As of Mar 27,2025	Current Expenditures	PJTD Expenditures As of Jun 25, 2025	Encumbrances As of Jun 25, 2025	Change in Encumbrances	Encumbrances As of Jun 25, 2025	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	% Spent, Encumbered & Contingencies
State 3rd MOU Electric Vehicle Expansion	50,000,000	-	50,000,000	50,000,000	-	50,000,000	-	-	-	-	100.00%	100.00%
<b>TOTAL STATE FUNDING</b>	<b>50,000,000</b>	<b>-</b>	<b>50,000,000</b>	<b>50,000,000</b>	<b>-</b>	<b>50,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100.00%</b>	<b>100.00%</b>

----- GRANT ENDED 1/10/2024 -----

These reports are intended to represent the budgets available to the IDB and do not reflect the entire incentive package.



**CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD**  
**ECD - VOLKSWAGEN INCENTIVE PROJECT**  
**LOCAL FUNDING PROGRESS REPORT - THIRD MOU**  
**As of Jun 25, 2025**

Description	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Grant Budget Amount	PJTD Expenditures As of Mar 27,2025	Current Expenditures	PJTD Expenditures As of Jun 25, 2025	Encumbrances As of Jun 25, 2025	Change in Encumbrances	Encumbrances As of Jun 25, 2025	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	% Spent, Encumbered & Contingencies
Local 3rd MOU Electric Vehicle Expansion	5,000,000	-	5,000,000	-	-	-	-	-	-	5,000,000	0.0%	0.0%
<b>TOTAL LOCAL FUNDING</b>	<b>5,000,000</b>	<b>-</b>	<b>5,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,000,000</b>	<b>0.00%</b>	<b>0.00%</b>
<b>TOTAL LOCAL FUNDINGS (Managed by IDB)</b>	<b>5,000,000</b>	<b>-</b>	<b>5,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,000,000</b>	<b>0.00%</b>	<b>0.00%</b>

These reports are intended to represent the budgets available to the IDB and do not reflect the entire incentive package.

Changes Since Prior Report - THIRD MOU									
As of Jun 25, 2025		Expenditures		Encumbrances		Change			
		This Report	Last Report	This Report	Last Report	Expenditures	Encumbrances	Comments	
Z11302	State 3rd MOU Electric Vehicle Expansion	50,000,000.00	50,000,000.00	-	-	-	-		
TOTAL STATE FUNDING		50,000,000	50,000,000	-	-	-	-	Grant ended 1/10/2024	
Z11301'	Local 3rd MOU Electric Vehicle Expansion	-	-	-	-	-	-		
TOTAL LOCAL FUNDING		-	-	-	-	-	-		

**IDB - ECONOMIC DEVELOPMENT PROGRAMS SUMMARY**
**PJTD EBS & CLOUD (Since inception)**
**As of 6/25/2025**

Acct	Activity	Description	NR11	NR13	NR14	NR14	NR14	NR15	NR16	NR17	NR18	TOTAL
			GROWING SMALL BUS. Z00303	TECH WORKFORCE Z00304	IDB-PILOTS Z00306	IDB-ADMIN * Z300310	IDB LOANS Z00315	MITIGATION Z00307	BUSINESS DEV. Z00308	RENEWING CHATT Z00312	INNOVATION Z00313	
101101		Interfund Cash	92,256.02	185,000.00	-----	2,362,413.06	-----	11,000.00	75,000.00	20,000.00	148,000.00	2,893,669.08
124212'		NR COVID-19 Loans	-	-	-	-	162,846.76	-	-	-	-	162,846.76
124901		Allowance for Notes Receivable	-	-	-	-	(24,427.00)	-	-	-	-	(24,427.00)
172102		Restricted Cash with Agent	-	-	-	-	337,290.42	-	-	-	-	337,290.42
513140	102601	IDB EDLP - VW *	-	-	1,250,000.00	-	-	-	-	-	-	1,250,000.00
513140	102602	IDB EDLP - Southern Champion Tray *	-	-	180,914.58	-	-	-	-	-	-	180,914.58
513140	102603	IDB EDLP - Gastamp	-	-	1,412,755.39	-	-	-	-	-	-	1,412,755.39
513140	102604	IDB EDLP - YanFeng	-	-	84,222.84	-	-	-	-	-	-	84,222.84
513140	102605	IDB EDLP - Plastic Omnium Auto	-	-	360,827.28	-	-	-	-	-	-	360,827.28
513140	102606	IDB EDLP - Homeserve *	-	-	67,795.01	-	-	-	-	-	-	67,795.01
513140	102607	IDB EDLP - M & M Industries	-	-	125,703.45	-	-	-	-	-	-	125,703.45
513140	102608	IDB EDLP - Van De Wiele *	-	-	27,065.25	-	-	-	-	-	-	27,065.25
513140	102609	IDB EDLP - Coca-Cola	-	-	140,742.50	-	-	-	-	-	-	140,742.50
513140	102610	IDB EDLP - Puregraphite	-	-	16,889.09	-	-	-	-	-	-	16,889.09
513140	102611	IDB EDLP - Steam Logistics	-	-	20,306.21	-	-	-	-	-	-	20,306.21
524107		City of Chattanooga Appropriation	200,000.00	450,000.00	-	-	-	44,000.00	-	-	-	694,000.00
576101		Miscellaneous Revenue	-	-	5.00	6,686.47	137.18	-	-	-	-	6,828.65
801604		Transfer from Non Reported (NR) Funds	200,000.00	-	-	-	-	-	100,000.00	50,000.00	200,000.00	550,000.00
								-	-	-	-	
Bridge Loan related expenses - managed by SETDD												
538101		Bad Debt Expense					(24,427.00)	-	-	-	-	(24,427.00)
704213		Debris Removal & Cleanup	-	-	-	-	-	-	-	-	-	-
704602		Training Costs	-	25,000.00	-	-	-	-	-	-	-	25,000.00
784101		Appropriations	-	50,000.00	-	-	-	-	25,000.00	-	-	75,000.00
782201		Awards	-	-	56,000.00	-	-	-	-	-	-	56,000.00
782202		Donations	-	40,000.00	-	-	-	-	-	-	-	40,000.00
782207		Grant Award	307,743.98	150,000.00	51,000.00	-	-	33,000.00	-	30,000.00	52,000.00	623,743.98
811604		Transfer to Non Reported (NR) Funds	-	-	724,500.01	-	-	-	-	-	-	724,500.01
Operating income (loss)			92,256.02	185,000.00	2,855,726.59	6,686.47	(24,289.82)	11,000.00	75,000.00	20,000.00	148,000.00	3,369,379.26
			-	-		-		-	-	-	-	-

**\* PILOT ended or fee payment ended**

# IDB - e2i2 Program Summary

As of 6/25/2025

NR26                      Z00323  
 Project Number: N10029  
 Project Name: IDB-E2i2 SSO Abatement Program  
 Award Number: FY24-N10029-524201  
 Award Name: FY24-N10029-Transfer from City of Chattanooga

Acct	Description	7/1/2023 - 6/30/2024 ADJ-2024'	7/1/2024 - 6/30/2025 JUN-2025'	Project Budget	Encumbrance	Since inception Actual
101101	Interfund Cash	409,946.00	(4,918,758.17)			(4,918,758.17)
103103	Cash with Agents	-	743,458.97			743,458.97
125101	AR Accruals	333,489.00	-			-
201101	Accounts Payable	(409,946.00)	-			-
251104	Retainage with Escrow Agent	-	(743,458.97)			(743,458.97)
212197	PPM Miscellaneous Clearing Account (Debit)	4,550,423.00	20,989,843.74			20,989,843.74
212198	PPM Miscellaneous Clearing Account (Credit)	(4,550,423.00)	(20,989,843.74)			(20,989,843.74)
524201	Reimbursement from City of Chattanooga	4,883,912.00	11,187,173.57			16,071,085.57
761117	CIP Sanitary Sewer Construction	4,883,912.00	15,481,783.48	153,087,868.00	132,210,449.83	20,365,695.48
761103	CIP Engineer's Easement Negotiations	-	115,032.25			115,032.25
761101	CIP Expense	-	509,116.01			509,116.01
781301	Fees, Licenses, & Permits	-	-			-
	Total Expenses					20,989,843.74
	Operating income (loss)	-	(4,918,758.17)			(4,918,758.17)

**IDB - TAX INCREMENT FINANCING (TIF) SUMMARY**
**PJTD EBS & CLOUD (Since inception)**
**As of 6/25/2025**

Acct	Description	NR09	NR09	NR23	NR24		NR25		NR27		TOTAL
		Black Creek Tax Payments 200302	MLK Tax Payments 200311	East Chatt Rising Tax Payments 200316	North River Com. Ctr. Tax Payments 200319	Developer 200320	Sports Authority Tax Payments 200321	Developer	The Bend Area Tax Payments 200322	Developer	
101101	Interfund Cash		135,274.08	1,537.55	2,417.19		1,107.47		8,000.00		148,336.29
513143	TIF Application Fee	-	1,500.00	-	1,500.00	-	-	-	8,000.00	-	11,000.00
523109	<sup>1</sup> Ham Co TIF Payment	1,837,107.46	1,043,854.80	35,925.94	144,480.89	-	175,164.80	-	-	-	3,236,533.89
524106	<sup>1</sup> City TIF Payment	3,952,481.05	1,683,350.04	83,756.19	219,207.33	-	331,134.14	-	-	-	6,269,928.75
536122	<sup>2</sup> TIF Admin Fee (City)	-	133,774.05	1,537.55	917.19	-	1,107.47	-	-	-	137,336.26
536123	IDB TIF Developer Project Revenue	-	-	-	-	8,754,000.00	-	-	-	-	8,754,000.00
782211	<sup>3</sup> Interest expense	-	-	98,973.31	-	-	-	-	-	-	98,973.31
782215	IDB TIF Developer Project Expense	-	-	-	-	8,754,000.00	-	-	-	-	8,754,000.00
782601	TIF Agency	5,180,952.96	2,483,210.02	14,768.04	363,688.22	-	506,298.94	-	-	-	8,548,918.18
782602	TIF Administrative Fee to Chattanooga	104,611.81	54,569.64	1,377.64	-	-	-	-	-	-	160,559.09
782604	TIF Debt Service Allocation to Chattanooga	301,856.08	157,265.97	(1,406.54)	-	-	-	-	-	-	457,715.51
782605	TIF Refuse Pickup to Chattanooga	137,667.18	-	5,144.19	-	-	-	-	-	-	142,811.37
782603	TIF Administrative Fee to Hamilton Co	46,071.73	22,970.88	589.64	-	-	-	-	-	-	69,632.25
782606	TIF Trustee Fee to Hamilton Co	18,428.70	9,188.35	235.85	-	-	-	-	-	-	27,852.90
Operating income (loss)		0.05	135,274.03	1,537.55	2,417.19	-	1,107.47	-	8,000.00	-	148,336.29
			-	-	-		-		-		
Hamilton County Payments		1,772,607.03	1,011,695.57	35,100.45	144,480.89	-	175,164.80	-	-	-	3,139,048.74
City Payment		3,408,345.98	1,471,514.43	78,640.90	219,207.33	-	331,134.14	-	-	-	5,508,842.78
Total Payments to developer		5,180,953.01	2,483,210.00	113,741.35	363,688.22	-	506,298.94	-	-	-	8,647,891.52

<sup>1</sup> Effective FY23 only recrd the net payments receive from County and City (no more grossing up)

<sup>2</sup> Effecting FY23 IDB receives City's 5% admin fees (excluding Black Creek TIF)

<sup>3</sup> Initiated by the letter from the State Comptroller's Office, East Chattanooga TIF unpaid interest expenses \$313,557.05 is removed from the Finance Report

**IDB - TAX INCREMENT FINANCING (TIF) SUMMARY**
**PJTD EBS & CLOUD (Since inception)**
**As of 6/23/2025**

			NR09			Z00302			NR09			Z00311			NR23			Z00316			NR24			Z00319			NR25			Z00321			TOTAL
Calendar		Fiscal	Black Creek			MLK			East Chatt Rising			North River Com. Ctr.			Sports Authority																		
Count	Year	Year	County	City	Total	County	City	Total	County	City	Total	County	City	Total	County	City	Total	County	City	Total	County	City	Total	County	City	Total	County	City	Total				
Year 1	2013	ADJ-2014	21,193.50	43,727.00	64,920.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	64,920.50			
Year 2	2014	ADJ-2015	30,603.63	57,365.84	87,969.47	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	87,969.47				
Year 3	2015	ADJ-2016	38,801.86	72,607.20	111,409.06	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	111,409.06				
Year 4	2016	ADJ-2017	46,621.01	100,856.93	147,477.94	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	147,477.94				
Year 5	2017	ADJ-2018	54,175.06	96,287.18	150,462.24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	150,462.24				
Year 6	2018	ADJ-2019	182,436.98	281,366.82	463,803.80	21,676.00	34,438.99	56,114.99	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	519,918.79				
Year 7	2019	ADJ-2020	151,595.76	243,429.99	395,025.75	85,257.78	120,694.13	205,951.91	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	600,977.66				
Year 8	2020	ADJ-2021	164,656.91	283,773.58	448,430.49	148,631.08	199,772.60	348,403.68	5,952.49	8,815.55	14,768.04	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	811,602.21				
Year 9	2021	ADJ-2022	166,849.59	368,686.54	535,536.13	171,693.31	524,651.27	696,344.58	5,014.66	13,622.03	18,636.69	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,250,517.40				
Year 10	2022	ADJ-2023	238,164.68	533,817.71	771,982.39	171,933.18	-	171,933.18	5,024.56	12,392.81	17,417.37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	961,332.94				
Year 11	2023	ADJ-2024	289,948.18	574,798.06	864,746.24	188,401.97	276,976.43	465,378.40	5,547.59	12,845.12	18,392.71	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,348,517.35				
Year 12	2024	ADJ-2025	387,559.87	751,629.13	1,139,189.00	224,102.25	314,981.01	539,083.26	13,561.15	30,965.39	44,526.54	144,480.89	219,207.33	363,688.22	-	-	-	175,164.80	331,134.14	506,298.94	-	-	-	-	-	-	-	-	2,592,785.96				
Year 13	2025	ADJ-2026	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Year 14	2026	ADJ-2027	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Year 15	2027	ADJ-2028	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Year 16	2028	ADJ-2029	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Year 17	2029	ADJ-2030	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Year 18	2030	ADJ-2031	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Year 19	2031	ADJ-2032	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Year 20	2032	ADJ-2033	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
			1,772,607.03	3,408,345.98	5,180,953.01	1,011,695.57	1,471,514.43	2,483,210.00	35,100.45	78,640.90	113,741.35	144,480.89	219,207.33	363,688.22	175,164.80	331,134.14	506,298.94							8,647,891.52									

GRAND TOTAL - COUNTY PAYMENTS	3,139,048.74
GRAND TOTAL - CITY PAYMENTS	5,508,842.78
<b>TOTAL</b>	<b>8,647,891.52</b>

FY25 TOTAL - COUNTY PAYMENTS	944,868.96
FY25 TOTAL - CITY PAYMENTS	1,647,917.00
<b>TOTAL</b>	<b>2,592,785.96</b>

TIF - East Chattanooga Rising						Loan Interest (3.50%)		O/S Loan Balance	
Count	Calendar Year	Fiscal Year	Hamilton County	City	Total	Interest Due	Unpaid Interest *	Principal Due	\$ 4,000,000.00
Year 1	2020	ADJ-2021	5,952.49	8,815.55	14,768.04	-	-	-	3,985,231.96
Year 2	2021	ADJ-2022	5,014.66	13,622.03	18,636.69	207,666.67	189,029.98	-	3,985,231.96
Year 3	2022	ADJ-2023	5,024.56	12,392.81	17,417.37	141,944.44	124,527.07	-	3,985,231.96
Year 4	2023	ADJ-2024	5,547.59	12,845.12	18,392.71	142,333.33	123,940.62	-	3,985,231.96
Year 5	2024	ADJ-2025	13,561.15	30,965.39	44,526.54	141,944.44	97,417.90	-	3,985,231.96
Year 6	2025	ADJ-2026	-	-	-	141,944.44		190,000.00	
Year 7	2026	ADJ-2027				135,202.08		195,000.00	
Year 8	2027	ADJ-2028				128,633.75		205,000.00	
Year 9	2028	ADJ-2029				121,007.64		210,000.00	
Year 10	2029	ADJ-2030				113,555.56		215,000.00	
Year 11	2030	ADJ-2031				105,926.04		225,000.00	
Year 12	2031	ADJ-2032				98,210.00		235,000.00	
Year 13	2032	ADJ-2033				89,602.43		240,000.00	
Year 14	2033	ADJ-2034				81,085.76		250,000.00	
Year 15	2034	ADJ-2035				72,214.24		260,000.00	
Year 16	2035	ADJ-2036				63,160.42		270,000.00	
Year 17	2036	ADJ-2037				53,406.60		280,000.00	
Year 18	2037	ADJ-2038				43,470.49		290,000.00	
Year 19	2038	ADJ-2039				33,179.51		300,000.00	
Year 20	2039	ADJ-2040				22,595.42		310,000.00	
Year 21	2040	ADJ-2041				5,813.89		325,000.00	
Total County & City paid to IDB			35,100.45	78,640.90	113,741.35	1,942,897.15	534,915.57	4,000,000.00	

\* Per loan agreement, the Tax Increment Revenue shall be first applied to interest and then to principal.

Loan amortization schedule prepared by PFM Financial Advisors LLC

BOND DEBT SERVICE				
City of Chattanooga, Tennessee Industrial Development Board TIF 2021				
Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2022			207,666.67	207,666.67
06/30/2023			141,944.44	141,944.44
06/30/2024			142,333.33	142,333.33
06/30/2025			141,944.44	141,944.44
06/30/2026	190,000	3.500%	141,944.44	331,944.44
06/30/2027	195,000	3.500%	135,202.08	330,202.08
06/30/2028	205,000	3.500%	128,633.75	333,633.75
06/30/2029	210,000	3.500%	121,007.64	331,007.64
06/30/2030	215,000	3.500%	113,555.56	328,555.56
06/30/2031	225,000	3.500%	105,926.04	330,926.04
06/30/2032	235,000	3.500%	98,210.00	333,210.00
06/30/2033	240,000	3.500%	89,602.43	329,602.43
06/30/2034	250,000	3.500%	81,085.76	331,085.76
06/30/2035	260,000	3.500%	72,214.24	332,214.24
06/30/2036	270,000	3.500%	63,160.42	333,160.42
06/30/2037	280,000	3.500%	53,406.60	333,406.60
06/30/2038	290,000	3.500%	43,470.49	333,470.49
06/30/2039	300,000	3.500%	33,179.51	333,179.51
06/30/2040	310,000	3.500%	22,595.42	332,595.42
12/31/2040	325,000	3.500%	5,813.89	330,813.89
	4,000,000		1,942,897.15	5,942,897.15

<b>Project:</b>	W-20-001-201 e2i2 SSO Abatement Program (Progressive Design Build)
<b>Date:</b>	June 30, 2025
<b>To:</b>	City of Chattanooga Industrial Development Board
<b>From:</b>	Jacobs Engineering Group, Inc
<b>Subject:</b>	Quarterly Project Update

### **Purpose**

The purpose of this update is to inform the Industrial Development Board (IDB) of project progress including:

- project background,
- work-to-date,
- invoices & payments,
- project schedule,
- change management and,
- upcoming board action requests.

### **Project Background**

**City of Chattanooga Project Owner:** Wastewater Department

**City of Chattanooga Project Manager:** Dennis Malone

**Industrial Development Board Representative:** Bill Payne

**Owner's Advisor:** Jacobs Engineering Group, Inc.

**Design Builder:** Brasfield & Gorrie (B&G)

### **Documents executed & presented to IDB, to date:**

- Design Build RFP – Nov 2022
- Memorandum of Understanding – April 2023
- Design Build Agreement – April 2023
- Property Lease – July 2023

### **Work-to-Date**

Following are the project highlights from November 2024 through June 2025. See attached invoices and monthly progress reports:

### **Ongoing easement negotiations:**

Based on parcel owner agreements the easement/property acquisitions are 57% complete, eight of fourteen are complete, 6 are in-process, see table below.

<b>Parcel owner</b>	<b>Status</b>
Wysong	Complete
Bruns	Complete
Nationwide	In-process
Bridgeway Apartments	In-process
HomeServe	In-process
City Church*	In-process
Dillard	Complete



TN MH	Complete
Chen	In-process
Moore	Complete
Everhart	Complete
General Shale/Emerald Enterprises	Complete
Morgan	Complete
Villas Apartments	In-process

\*Note: The City Church property is being purchased in fee simple as opposed to an easement by request of the property owner. The funding request for this purchase is being requested during the 7/14/2024 IDB meeting.

**Construction progress updates:**

- November 2024
  - Conducted Easement Appraisal and Coordination Meeting on 11/08 and 11/22. The City, Jacobs, ORC and B&G attended these meetings.
  - Received the LDO Land Disturbing Permit for the WCEQ Station Construction.
  - Performed 90% QC review from 11/11 to 11/22
  - Brasfield & Gorrie mobilized to the WCEQ I-75 site on 11/18/2024.
- December 2024
  - Held Phase 2 Pre-Construction and Monthly Progress meeting on 12/19/24 with the City, Jacobs, B&G, Gresham, Croy, Barge, Hamilton County, Crom, JDS, Lawson, and RMJ.
  - Held Easement Appraisal and Coordination Meeting on 12/06 and 12/20 with the City, Jacobs, ORC and B&G.
  - Held bi-monthly coordination meetings on 12/4 and 12/17 with the cross disciplinary DB team.
- January 2025
  - Held 90% Plans and Specifications Review Workshop on 1/15/25 with Jacobs, B&G, Gresham, Croy, Barge, Hamilton County, Crom, JDS, Lawson and RMJ.
  - Conducted Easement Appraisal & Negotiation Meetings on 1/3/25, 1/17/25 and 1/31/25 with the City, Jacobs, ORC and B&G.
  - Received SLEQ Station LDO Land Disturbing Permit 09/24.
  - On site construction activity began on 1/6/25 for WCEQ and SLEQ sites.
  - Held preconstruction/safety startup coordination meeting with fencing and erosion control subcontractors prior to subcontractor's arrival.
- February 2025
  - Held review meeting on 2/7/2025 for the North Lee Hwy Relief Sewer Revised Alignment Plans.

- Held OC CRF 1 review meeting with City and Jacobs on 2/13/25.
- Coordinated with B&G and City to resolve comments related manholes, polywrap, WIFIA requirements, electrical items and others.
- Escrow account documentation completed, and account opened.
  
- March 2025
  - Conducted Monthly Progress Meeting on 3/27/2025.
  - Held Tank draining scenario modelling meeting on 3/11/2025.
  - Wysong easement signed and finalized. Construction work started per schedule on 3/31/2025.
  - Construction activity this period includes the following:
    - West Chickamauga Equalization Station:
      - Completed the Greenway permanent soil nail retaining wall.
    - South Lee Hwy Equalization Station:
      - Finished rock drilling and blasting activities at the pump station site.
    - Completed access bridge install.
    - North Lee Hwy Conveyance Improvements:
      - Completed tree cutting and mulching operation.
    - South Lee Hwy Conveyance Improvements:
      - Performed Crayfish sweeps for temporary Friar Branch creek crossing.
    - Completed tree cutting, clearing and mulching operations.
  
- April 2025
  - Coordinated with Design Build team to move forward the final 100% sealed drawing deliverable.
  - Held Monthly Progress Meeting on 4/24/2025.
  - Held Bi-Weekly Easement Appraisal & Negotiation Meeting on 4/25/2025.
  - Construction activity this period includes the following:
    - South Lee Hwy Equalization Station:
      - Completed clearing and grubbing, hauling out trees and mulch.
    - Completed installation of dual 48" RCP.
    - West Chickamauga Equalization Station:
      - Completed construction entrance on the I-75 side of the perimeter site fencing and removed the temporary jersey barriers.
    - Completed blasting lift 1 at the Pump Station.

- May 2025

Construction activity this period includes the following:

- West Chickamauga Equalization Station:
- Completed the drilling & blasting of the Pump Station.
  - South Lee Hwy Equalization Station:
- Completed installation of the temporary fence at the East Tank Site.
- Completed drilling & blasting for the EQ Tank.
- Completed installation of soldier beams at the Pump Station Discharge Flow Meter Vault.
  - North Lee Hwy Conveyance Improvements:
- Ongoing material procurement and submittals.
  - South Lee Hwy Conveyance Improvements:
- Ongoing material procurement and submittals.

- June 2025

Construction activity this period includes the following:

- West Chickamauga Equalization Station:
- Completed site preparation for the west prestressed concrete tank.
- Continued progress on pump station excavation
  - South Lee Hwy Equalization Station:
- Continued site prep for EQ tank
- Continued progress on shotcrete retaining wall
- Continued progress on pump station excavation
  - North Lee Hwy Conveyance Improvements:
- Ongoing material procurement and submittals.
  - South Lee Hwy Conveyance Improvements:
- Ongoing material procurement and submittals.

## Invoices & Payments

*Table-1 Pay app summary below includes work between 09/01/2024 & 05/30/2025, thru PA009*

Description	Scheduled Value (\$)	Completed To Date (\$)	Completed (%)
Project Total	\$ 153,087,868.00	\$ 25,040,673.74	16.35%

Payments:

<b>Pay App #</b>	<b>Period of Performance</b>	<b>Date approved</b>	<b>Amount of Pay App (\$)</b>	<b>Retainage Amount (\$)</b>
Phase 1 Design Build	Invoices 01 thru 013	7/30/2024	\$5,353,602.00	\$0
001	9/1/2024 - 9/30/2024	1/14/2025	\$ 1,344,332.55	\$ 70,754.34
002	10/1/2024 – 10/31/2024	1/14/2025	\$ 387,111.31	\$ 20,374.28
003	11/1/2024 – 11/30/2024	3/11/2025	\$ 1,130,062.76	\$ 59,476.99
004	12/1/2024 – 12/31/2024	3/11/2025	\$ 854,711.56	\$ 44,984.82
005	1/1/2025 – 1/31/2025	3/11/2025	\$ 1,536,455.30	\$ 80,866.07
006	2/1/2025 – 2/28/2025	3/21/2025	\$ 2,387,417.13	\$ 125,653.53
007	3/1/2025 – 3/31/2025	4/24/2025	\$ 2,312,049.02	\$ 121,686.79
008	4/1/2025 – 4/30/2025	5/19/2025	\$ 4,173,580.88	\$ 219,662.15
009	5/1/2025 – 5/31/2025	6/20/2025	\$ 4,576,997.64	\$ 240,894.62
		Totals:	\$24,056,320.15	\$984,354
Grand Total Paid to Date (Paid + Retainage):			\$25,040,673.74	

### Design Builder's Project Schedule

Table 2 – Project Milestones

<b>Milestone</b>	<b>Duration (days)</b>	<b>Due Date</b>	<b>Actual</b>
Phase 1 (60% Design + GMP)	365	7/24/2024	8/19/2024
Phase 2 NTP Issued	1	08/30/2024	08/30/2024
Final Design Completion	270	05/27/2025	05/03/2025
Phase 2 Construction Mobilization	1	01/06/2025	01/06/2025
South Lee Hwy Substantial Completion	600	08/29/2026	On Schedule
South Lee Hwy Final Completion	60	10/28/2026	On Schedule
Phase 2 (Full Project) Substantial Completion	810	03/26/2027	On Schedule

Completion			
Phase 2 (Full Project)	60	05/26/2027	On Schedule
Final Completion			

#### **Change Management**

- Owner Contingency Status
- Original Owner's Contingency: \$4,521,887
- Owner contingency authorized to date: \$650,139 (as of OC CRF #3)
- Current Remaining Owner's Contingency (as of OC CRF 3): \$3,871,748
- DB Contingency Status:
- Original Phase 2 DB contingency amount: \$4,710,459
- DB contingency utilized to date: \$57,684 (as of Pay App #9, period of May 2025)
- Current remaining DB contingency amount: \$4,652,775

#### **Upcoming Board Action Requests**

- Request for \$580,000 for purchase of the City Church parcel is being requested during this (7/14/2025) IDB Meeting. See separate document requesting this funding.



RESOLUTION

A RESOLUTION AUTHORIZING THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA TO ACQUIRE THE REAL PROPERTY LOCATED AT 7218 HAMILTON ACRES CIRCLE, CHATTANOOGA, HAMILTON COUNTY, TENNESSEE, TAX PARCEL NO. 139P-C-007.04, INCLUDING ALL NECESSARY FEES AND CLOSING COSTS AS PART OF THE PURCHASE, FOR AN AMOUNT NOT TO EXCEED SEVEN HUNDRED THOUSAND DOLLARS (\$700,000.00), FOR USE IN CONNECTION WITH THE CITY OF CHATTANOOGA WASTEWATER DEPARTMENT'S E2I2 PROJECT.

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BE IT RESOLVED, that the Industrial Development Board of the City of Chattanooga is hereby authorizing to acquire the real property located at 7218 Hamilton Acres Circle, Chattanooga, Hamilton County, Tennessee, Tax Parcel No. 139P-C-007.04, including all necessary fees and closing costs as part of the purchase, for an amount not to exceed \$700,000.00, for use in connection with the City of Chattanooga Wastewater Department's e2i2 project.

ADOPTED: July 14, 2025

THE INDUSTRIAL DEVELOPMENT  
BOARD OF THE CITY OF CHATTANOOGA

Attest:

\_\_\_\_\_  
\_\_\_\_\_, Chair

\_\_\_\_\_  
\_\_\_\_\_, Secretary



# City of Chattanooga Wastewater Department Consent Decree Program Program Management

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**Project:** W-20-027-101 MBEC Class A POWER (Progressive Design Build)

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**Date:** June 9, 2025

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**To:** Industrial Development Board of the City of Chattanooga

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**From:** Jacobs Engineering Group, Inc.

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**Subject:** Quarterly Project Update No. 01

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## Purpose

The purpose of this update is to inform the Industrial Development Board (IDB) of project progress including work-to-date, project schedule, change management and, upcoming board action requests.

## Project Background

- City of Chattanooga Project Owner: Wastewater Department
- Industrial Development Board Representative: Bill Payne
- Design Builder: Archer Western
- Owner's Advisor: Jacobs Engineering Group, Inc.

## Previous documents executed through IDB:

- Design Build Request for Proposal: April 2024
  - Awarded to Archer Western Design Build Team
- Design Build Agreement: March 2025
- Design Build Phase 1 Notice to Proceed: April 4, 2025

## Work-to-Date

The following are highlights of work performed to date:

- Kickoff Meeting held 1/22/2025.
- NTP Issued held 4/4/2025.
- Alternatives Evaluation Kickoff Workshop held 4/7/2025
- Holding weekly update meetings and monthly progress meetings.
- Site reconnaissance including topographic surveying, 3D scans and review of various treatment plant systems
- Developing Alternatives Analysis Technical Memorandum to select the basis of design for the Moccasin Bend Environmental Campus liquids treatment and solids handling improvements.

# Jacobs



- Design Build Invoices approved to date:

Contract Amount	Invoice Number	Invoice Amount	Amount Remaining	Invoice Period
\$13,390,000	01	\$809,468.87	\$12,580,531.13	April 2025
	02	\$405,473.53	\$12,175,057.60	May 2025

## Change Management

No changes to date.

## Design Builder's Project Schedule

Milestone	Duration (days)	Start Date	Finish Date	Status
NTP	1	4/4/2025	4/4/2025	Complete
Alternatives Analysis Technical Memorandum	130	4/4/2025	8/11/2025	In progress
Basis of Design Report	83	8/12/2025	11/2/2025	Not started
30% Design	103	11/3/2025	2/13/2026	Not started
60% Design	137	2/14/2026	6/30/2026	Not started
60% Guaranteed Maximum Price Proposal	22	7/1/2026	7/22/2026	Not started

## Upcoming Board Action Requests

None planned at this time.

RESOLUTION

A RESOLUTION AUTHORIZING THE ALLOCATION OF ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000.00) FROM THE INDUSTRIAL DEVELOPMENT BOARD IDB RENEWING CHATTANOOGA ACCOUNT NR17 TO THE CHATTANOOGA HOUSING AUTHORITY (CHA) FOR PHASE 1 RENOVATION AND EXPANSION OF THE JAMES A. HENRY HUB AT 1241 GROVE STREET, AS A PART OF THE CITY AND CHA'S SUCCESSFUL \$50 MILLION CHOICE NEIGHBORHOODS IMPLEMENTATION GRANT FOR THE ONE WESTSIDE TRANSFORMATION PLAN.

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BE IT RESOLVED, that the Industrial Development Board of the City of Chattanooga is hereby authorizing the allocation of \$1.5 million from the Industrial Development Board IDB Renewing Chattanooga Account NR17 to the Chattanooga Housing Authority (CHA) for Phase 1 renovation and expansion of the James A. Henry Hub at 1241 Grove Street, as a part of the City and CHA's successful \$50 million Choice Neighborhoods Implementation Grant for the One Westside Transformation Plan.

ADOPTED: July 14, 2025

THE INDUSTRIAL DEVELOPMENT  
BOARD OF THE CITY OF CHATTANOOGA

Attest:

\_\_\_\_\_  
\_\_\_\_\_, Chair

\_\_\_\_\_  
\_\_\_\_\_, Secretary

**TO:** Industrial Development Board of Chattanooga Appointed Members

**FROM:** Charita Allen  
Senior Advisor of Economic and Workforce Development

**SUBJECT:** Consideration of Resolution for a Funding Request from the Chattanooga Housing Authority in the amount of \$1,500,000.

**RECOMMENDED ACTION:**

Staff recommends that the IDB approve a funding request in the amount of \$1,500,000 from the Chattanooga Housing Authority.

**RESOLUTION:**

A resolution authorizing the allocation of \$1.5 million from the Industrial Development Board (IDB) Renewing Chattanooga Account NR17 to the Chattanooga Housing Authority (CHA) for Phase 1 renovation and expansion of the James A. Henry Hub at 1241 Grove St., as a part of the City of Chattanooga's and CHA's successful \$50M Choice Neighborhoods Implementation Grant for the One Westside Transformation Plan.

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**STATE OF TENNESSEE AUTHORIZING STATUTE:**

Chapter 53 - **INDUSTRIAL DEVELOPMENT CORPORATIONS (§§ 7-53-101 — 7-53-317)**  
**Section 7-53-302 - Corporate powers - Meetings public**

**Section 7-53-302(a)(8)**

(a) The corporation has the following powers, together with all powers incidental to such powers or necessary for the performance of those powers, to:

(8) Sell, exchange, donate and convey any or all of its properties, including, without limitation, all or any part of the rents, revenues and receipts of the corporation from its projects, whenever its board of directors shall find any such action to be in furtherance of the purposes for which the corporation was organized;

---

**ALIGNMENT WITH ECONOMIC DEVELOPMENT PLANS:**

This resolution aligns with the **ONE CHATTANOOGA PLAN** goal of “Build a Regional Economy” on three priorities: 1) Attract higher-paying jobs with targeted economic recruiting; **2) Grow household income for all Chattanoogaans through workforce development and skills training;** and 3) Refine Chattanooga's competitive advantages and traded clusters versus rival cities.

This resolution aligns with the Chattanooga Area Chamber of Commerce's **CHATTANOOGA CLIMBS Higher** Strategic Plan, funded by the City of Chattanooga and Hamilton County, on four priorities: 1) Create More High Quality Jobs; **2) Develop Skills for the New Economy;** **3) Grow Stronger Businesses;** and 4) Increase Regional Prosperity for All. Launched in 2019, the Chattanooga Climbs economic development strategy outlines an integrated economic development ecosystem with the

following components to be offered in the James A. Henry Hub: **Education, Training, and Skills Development, Public Health, and Entrepreneurial Support.**

#### **SUMMARY OF NEED:**

Renovation of the James A. Henry Community Hub played a significant role in the City's and CHA's successful \$50M Choice Neighborhoods Implementation Grant application. Community partners pledged \$21M in leverage for services that will be delivered at the Hub and are essential to meet the \$50M grant requirements. This redevelopment is more than just a building renovation. In addition to social services, the renovated facility will provide small business resources, including a commercial kitchen incubator. The overall project represents a significant investment in the well-being of the neighborhood and it is located at the gateway entrance to Downtown Chattanooga.

The request for funding is needed due to federal cuts. The previously committed Department of Energy C-Site grant in the amount of \$2.9M and a \$5M federal earmark from Congressman Fleischman will not be forthcoming. This loss of \$7.9M resulted in a funding gap of \$6,055,290. The City of Chattanooga is providing \$4.5M towards filling the gap. Even with the city's help, there's still \$1.5 million needed to fully fund the project.

#### **BACKGROUND AND HISTORY:**

In 2018, the NR17 Renewing Chattanooga fund was created at the IDB for eligible catalytic economic development projects in disinvested communities. Funds could also be used for economic developments projects investing in or rehabilitation blighted, vacant properties.

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#### **FISCAL IMPACT:**

Approval of this request would decrease the NR14 IDB PILOTs fund by \$1,500,000. The fund balance as of May 1, 2025 is \$2,873,422. Approval of this request would leave a balance of \$1,373,422 with one grant commitment of \$205,000 to be paid out in small installments over the next five years.

**The following monies are expected to be received by the IDB in 2025 through Spring of 2026 totaling roughly \$1,348,037.**

1. PILOT Economic Development Fees: Approximately **\$459,037.**
2. Chattanooga Neighborhood Enterprise (CNE) Small Business Programs: **\$538,000.**
3. Neighborhood Reinvestment Revolving Loan Repayments: **\$331,000.**
4. High Growth High Jobs Investment Match from Hamilton County Government: **\$20,000.**



**CITY OF CHATTANOOGA**  
Mayor Tim Kelly

May 20, 2025

Industrial Development Board of Chattanooga  
City of Chattanooga  
101 East 11<sup>th</sup> Street  
Chattanooga, TN 37402

Re: Chattanooga Housing Authority Request for Funding Renovations at the James A. Henry Community Hub

Dear Members of the Industrial Development Board:

The Chattanooga Housing Authority has reached out to the City of Chattanooga, and other partners, to request funding to fill a construction gap on Phase I of the One Westside project in our downtown core. This funding crisis is the result of the loss of a \$2.9 million Department of Energy grant and a \$5 million federal earmark from Congressman Fleischman which will not be forthcoming. Additionally, excess foundry sand and sewer line issues, which plague most of our older public facilities, have resulted in higher than expected costs.

The City is stepping in to provide \$4.5 million, which leaves a remaining \$1.5 million. Many city departments and community leaders have worked tirelessly over the past three years to bring this vital redevelopment to fruition. And, we are committed to making this critically important project happen.

This is a rare request that the City of Chattanooga does not take lightly. I am writing to ask you, members of the Industrial Development Board of Chattanooga, to consider this request for \$1.5 million in gap funding. The Chattanooga Housing Authority will provide an overview of the project and answer your questions. Again, this project is important to the future of our community.

Sincerely,

Tim Kelly  
City of Chattanooga Mayor

# CHATTANOOGA HOUSING AUTHORITY

## BOARD OF COMMISSIONERS

JAMES H. LEVINE, CHAIRPERSON  
EDNA E. VARNER, VICE-CHAIRPERSON  
CARL W. HENDERSON  
NICOLE HEYMAN  
EDDIE F. HOLMES  
ADAM KINSEY  
JEFFERY McLENDON



ELIZABETH F. MCCRIGHT  
EXECUTIVE DIRECTOR

801 N. HOLTZCLAW AVENUE  
CHATTANOOGA, TN 37404-1236  
TEL (423) 668-2374  
FAX (423) 668-2374  
TN Relay Svc 711  
[www.chahousing.org](http://www.chahousing.org)

May 15, 2025

Mayor Tim Kelly  
City Hall  
101 East 11<sup>th</sup> Street  
Chattanooga, TN 37402

Re: James A. Henry Community Hub

Dear Mayor Kelly:

Many thanks for your ongoing support of the One Westside Transformation Plan. We appreciate your commitment to the success of the project. I am writing to advise you about recent unexpected developments in the Phase 1 renovation and expansion of the James A. Henry Hub. As a refresher, Phase 1 of the James A. Henry Hub includes a new Head Start center and a community health clinic. The renovation of this public facility is tied to the City's and CHA's successful \$50M Choice Neighborhoods Implementation Grant. This redevelopment is more than just a building renovation; it represents a significant investment in the well-being of the neighborhood.

By way of background, on April 14, 2025, my staff and I met with Jermaine Freeman and Richard Beeland relating to a funding gap for Phase 1. Although we had assembled all funds for Phase 1 by the time construction began on August 5, 2024, we recently learned that the Department of Energy C-Site grant in the amount of \$2.9M and a \$5M federal earmark from Congressman Fleischman would not be forthcoming. This loss of \$7.9M resulted in a funding gap of \$6,055,290. This figure was shared with Jermaine and Richard at the meeting.

Since January, there have been multiple change orders and increased costs due to unforeseen conditions at the site, including, but not limited to, an excessive amount of foundry sand that required remediation and the discovery of undocumented underground sewer and sanitary lines.

As you are aware, the Hub played a significant role in the City's and CHA's successful \$50M Choice Neighborhoods Implementation Grant application. Our community partners who pledged \$21M in leverage for services that will be delivered at the Hub are essential to meet the grant requirements.

Without the necessary federal funding to complete construction on the Hub, low-income and vulnerable individuals will lose access to vital social services designed to support their well-being. This includes assistance with housing, food security, physical health and dental care, mental health care, addiction services, employment resources, youth programming — all crucial for stability and resilience. The delay or cancellation of the Hub will disproportionately harm those already facing systemic barriers, deepening inequality and limiting opportunities for upward mobility.

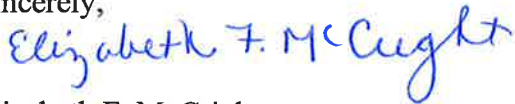
Designed with a community-centered approach, the James A. Henry Hub will provide a range of services and amenities that will improve the lives of everyone in the community, from children and youth to adults and seniors. The Hub is envisioned as the heart of the Westside, ensuring area residents have the resources they need to thrive.

Given these unforeseen circumstances, I respectfully request the City's assistance in bridging the \$6M gap.

My Board Chairman Jim Levine and I are available to meet with you to discuss the situation in more detail if you so desire.

Many thanks for consideration of this request.

Sincerely,



Elizabeth F. McCright  
Executive Director



# One Westside

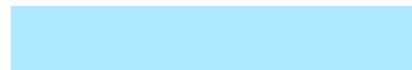
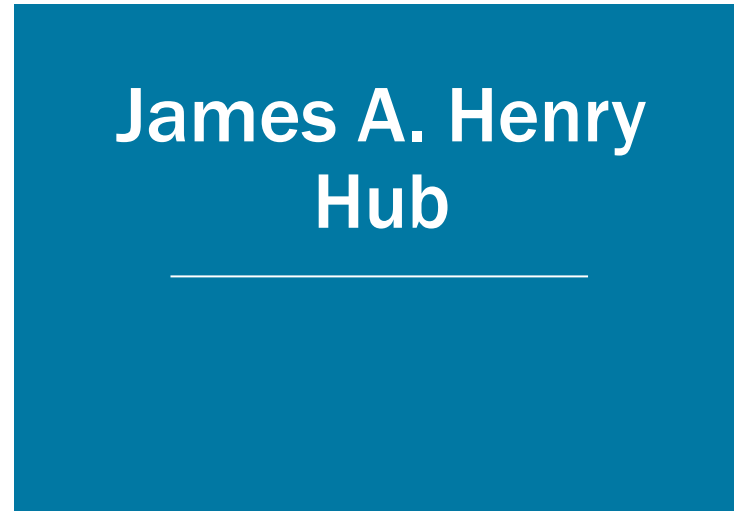
## Westside Community Evolves

Past. Present. Future.

Cover image by local artist Charlie Newton | 'Maiden Voyage'









# History & Background

- The **James A. Henry building**, located on Grove Street, has long been a central feature of the Westside neighborhood.
- It was originally built as an elementary school in **1937**, closed in 1980 but continued to serve as a **community resource** in the late 1990s and early 2000s.
- It was named after the Principal James A. Henry, the first African American of **Howard High School** in Chattanooga.





# James A. Henry Hub Phase 1

**Renovation of Existing School and Addition of Health Center**

**Tricon Construction Engaged:** May 2024  
**Groundbreaking:** July 16, 2024  
**Construction Start Date:** August 5, 2024  
**Construction Duration:** 12 months

**Amenities include:** 117 Head Start Seats, Head Start playground, industrial kitchen, incubator space, classrooms for programming (educational, social recreational), Erlanger health center





# Choice Neighborhoods Grant- People Component



Phase 1 renovations enabled us to attract over \$20M in leveraged support from HUD in connection with CNI

Approach to breaking cycles of generational poverty:

- ☐ Education
- ☐ Health
- ☐ Income and Employment
- ☐ Early Learning



# Providers at James A. Henry starting Phase 1



## City of Chattanooga Headstart



Chattanooga Head Start committed **\$8,589,916.00** to:

- Open a new Head Start Center, and increasing access to high-quality early childhood education for College Hill Courts families.
- Provide comprehensive early learning programs for infants, toddlers, and preschoolers, ensuring children receive strong educational foundations, nutritious meals, and social-emotional support.
- Provide more than double the number of Head Start seats in the community, providing valuable resources for early childhood development, health, and family well-being

The Boys & Girls Club of Chattanooga (BGCC)  
committed **\$3,313,348.00** to:

- Establish a new Clubhouse at the James A. Henry.
- Provide youth ages 6-18 with outcome-based programming focused on academic success, leadership development, and healthy lifestyles.
- Provide After-school activities such as tutoring, STEM learning, and college prep, along with job readiness training and wellness education.

## Boys and Girls Clubs of Chattanooga



# Providers at James A. Henry starting Phase 1



## Chattanooga Area Food Bank



The Chattanooga Area Food Bank (CAFB) committed **\$360,000.00** to:

- Address food insecurity by establishing a new food pantry, serving 150 families each year.
- Distribute fresh produce, pantry staples, and prepared meals, while supporting a community garden initiative at Sheila Jennings Park to promote nutrition education and sustainable food access.
- Offer food safety training to CHA staff and volunteers, ensuring the continued well-being of residents throughout the 8-year grant period.

Erlanger Community Health Centers (ECHC) committed **\$2,694,774.00** to:

- Open a new health clinic services at the James A. Henry Hub.
- Provides a full range of services, including primary care, pediatrics, counseling, and dentistry with with an advance Family Nurse Practitioner and Medical Assistants.
- Offer primary care visits, case management, and dental screenings to residents, ensuring access to quality healthcare services, regardless of insurance or ability to pay.

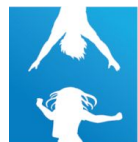
## Erlanger Community Health Center







BOYS & GIRLS CLUB  
OF CHATTANOOGA



HAMILTON  
COUNTY  
SCHOOLS

Education



Income &  
Employment



*Maclellan*



Head  
Start



Early  
Learning



Mental Health  
Cooperative



CHI Memorial



CHATTANOOGA AREA  
FOOD BANK



Health &  
Wellness



# James A. Henry Phase 1 Budget

## \$16,675,000

**Phase 1 Budget: \$14.5M with \$2,175,000 Contingency**

### Sources of Funding

2022 Federal Earmark	\$3M
2024 Federal Earmark	\$5M
DOE C-Site Grant	\$2.9M
Choice Grant	\$2.3M
Hamilton County ARPA	\$2M
City ARPA	\$2M
City Affordable Housing Fund	\$1M
City FY 2024 Capital Fund	\$1.5M
Journey Health Foundation	\$1.2M
Robert F. Stone Foundation	\$750,000
Maclellan Foundation	<u>\$100,000</u>
<b>Total Sources</b>	<b><u>\$21,175,000</u></b>





# Future Plans for the HUB

## Phase 2

James A. Henry Expansion

**Budget Estimate:** \$10,848,750

**Construction Start Date:** Q3 2025  
(pending funding availability)

**Construction Duration:** 12 Months

**Amenities include:** Gymnasium, multipurpose room, IT center, Boys & Girls Clubhouse, catering kitchen, meeting spaces, office space

## Phase 3

Sheila Jennings Park Renovation

**Budget Estimate:** \$4,634,468

**Construction Start Date:** Q1 2027

**Construction Duration:** 12 Months

Amenities include: Community garden, multipurpose field, multipurpose court, walking trail, performance area, splash pad

## Phase 4

Parking and Infrastructure

**Budget Estimate:** \$2,365,000

**Construction Start Date:** Q4 2027

**Construction Duration:** 12 Months



# Thank You!

Should you have questions, please feel free to contact:

Betsy McCright, Executive Director  
Chattanooga Housing Authority  
801 North Holtzclaw Avenue  
Chattanooga, TN 37404

(423) 322-5133 or [bmccright@chahousing.org](mailto:bmccright@chahousing.org)



RESOLUTION

A RESOLUTION AUTHORIZING THE TRANSFER OF ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000.00) FROM THE INDUSTRIAL DEVELOPMENT BOARD IDB PILOTS FUND ACCOUNT NR14 TO THE IDB RENEWING CHATTANOOGA ACCOUNT NR17 WHICH WAS CREATED FOR ELIGIBLE CATALYTIC ECONOMIC DEVELOPMENT PROJECTS IN DISINVESTED COMMUNITIES AND FOR ECONOMIC DEVELOPMENT PROJECTS INVESTING IN OR REHABILITATION OF BLIGHTED, VACANT PROPERTIES.

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BE IT RESOLVED, that the Industrial Development Board of the City of Chattanooga is hereby authorizing the transfer of \$1.5 million from the Industrial Development Board IDB PILOTS Fund Account NR14 to the IDB Renewing Chattanooga Account NR17 which was created for eligible catalytic economic development projects in disinvested communities and for economic development projects investing in or rehabilitation of blighted, vacant properties.

ADOPTED: July 14, 2025

THE INDUSTRIAL DEVELOPMENT  
BOARD OF THE CITY OF CHATTANOOGA

Attest:

\_\_\_\_\_  
\_\_\_\_\_, Chair

\_\_\_\_\_  
\_\_\_\_\_, Secretary

# Economic Development Report

## Required FY 24-25 Programs



June 24, 2025

# About Us:

**Charita Allen**

Senior Advisor for Economic and Workforce  
Development

**Winston Brooks, TCED**

Director of Economic Development &  
Entrepreneurship

**Andrew Hudson, Ph.D, CWDP**

Director of Workforce Development Strategy

**Kimberly D. Narramore**

Economic Development Coordinator

# Economic Development Programs

1. Start-Ups/ Home-based
2. Neighborhood Businesses
3. Growing Businesses
4. Workforce Development
5. Large Capital Projects

# Economic Development Business Toolkit

**Higher Risk**  
**Sole Proprietor**

**Medium Risk**  
**Owner & Small Staff**

**Lower Risk**  
**Executive Staff & Support Staff**



<b>1. StartUp</b> <b>2. Home-based</b> Incubator, Shared Space	<b>3. Neighborhood Businesses</b> Brick and Mortar. Select Home-based, Retail, Restaurant, Commercial, Office, Industrial	<b>4. Growing Businesses</b> Brick & Mortar Commercial, Office, Industrial	<b>5. Workforce Development</b> Training & Upskilling	<b>6. Large Capital Projects</b> Brick & Mortar Commercial, Office, Industrial
<b>Kiva Loan Program</b> Crowdfunding Loan Maximum: \$15,000  <b>Launch</b> Microentrepreneur Food Incubator Workshops	<b>Construction Mitigation</b> Walnut Street Bridge Statutory award for minimum 90-day business interruption Maximum: \$1,000  <b>HUD Section 108 Loan</b> Projects with impact on low to moderate income (LMI) location, customers, and/or employees. \$25,000-\$250,000  <b>Neighborhood Reinvestment Small Business Loans</b> Discretionary program for existing businesses. Technical assistance required. Maximum \$15,000	<b>Growing Small Business Grants</b> Statutory reward for 5+ job creation Maximum: \$10,000  <b>Innovation Grants</b> Discretionary reward for 10+ job creation  <b>High Growth Jobs and Investment Program</b> Discretionary award for medium-sized projects with at least 25 new jobs in high-growth sector industries.  <b>Renewing Chattanooga</b> Urban grocer recruitment	<b>Pathway Upskilling/Reskilling Grants</b> Discretionary program to support training for select real-time high-demand sectors	<b>Payment in Lieu of Taxes (PILOT)</b> Discretionary incentive for job creation and capital investment Future policy changes, templates, monitoring practices, and updated guidelines  <b>Industrial Development Bonds</b>  <b>Tax Increment Financing (TIF)</b> Discretionary incentive for jobs & infrastructure Future policy changes, standards, and updated guidelines





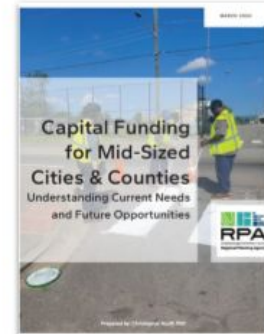
## One Chattanooga Plan: Roadmap for Economic Development Tools

*Supported by two recent studies*

### 1. March 2024, Chattanooga Regional Planning Agency Study **Capital Funding for Mid-Sized Cities and Counties**

<https://chcrpa.org/project/capital-funding-for-mid-sized-cities-counties/>

1. *Chattanooga spends less per capita on capital projects than comparison municipalities.*
2. *Pay-as-you-go approach with a low debt ratio.*
3. *Lacking in dedicated funding streams*
4. *Provided short-term, mid-term, and long-term options for revenue streams*



### 2. Winter 2023, HR&A Report **Economic Development in Chattanooga: Advancing a Shared Vision & Embracing New Tools**

City and civic economic development leaders aligned on the need to create four new high-priority economic development strategies – and to advance them through ongoing partnership.

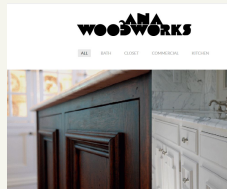
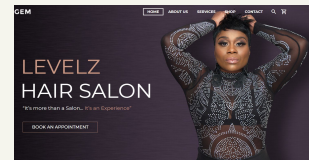
1. *Unlocking currently **vacant or underutilized downtown sites**.*
2. *Creating **transparency and clarity for developers seeking public benefits** and positioning the City to negotiate when considering public benefits for developers.*
3. ***Activating commercial corridors** to support local entrepreneurs and build local wealth.*
4. *Incentivizing more companies to **provide work-based learning and improve job access**.*





# Neighborhood Reinvestment Fund

- City provided and monitors \$1,063,566 in small business loans across all nine council districts post-Covid.
- Out of these 46 loans, 43 businesses are current on loan repayments.



# Small Business & Entrepreneurship

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## Growing Small Business Grants

### Big Sky Landscapes

18 Jobs

\$10,000

District 7



### Beautiful Game dba CFC

6 Jobs

\$10,000 Grant

District 7



### Office Furniture Works

8 Jobs

\$10,000 Grant

District 8



### Ben & Jerry's

6 Jobs

\$ 9,818 Grant

District 7

# Small Business & Entrepreneurship

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## Innovation Grants

**Intersign, \$22,000**  
District 9,  
22 Jobs



## Job Training Grants

**Build Within Tech Accelerator, \$50,000**  
Enrolled 8 residents, 8 completions,  
40 certificates (6 per graduate),  
5 offers, 4 employed. Post-training employers  
include: City of Chattanooga DTS, Unum,  
Transcard, and Data Annotation.



**Department of Community Health, \$50,000**  
Enrolled 30 residents, 17 completions,  
17 Cisco certificates,  
6 job offers, 7 employed



# Tax Increment Financing

TIF projects utilize future property tax revenue to fund infrastructure improvements in designated areas.

These projects aim to stimulate economic growth, attract businesses, and revitalize neighborhoods, ultimately benefiting the community at large.

## **Two types of local TIFs**

- 1. Developer-Backed**
- 2. City/County-Backed**

## What Is Tax Increment Financing (TIF)?

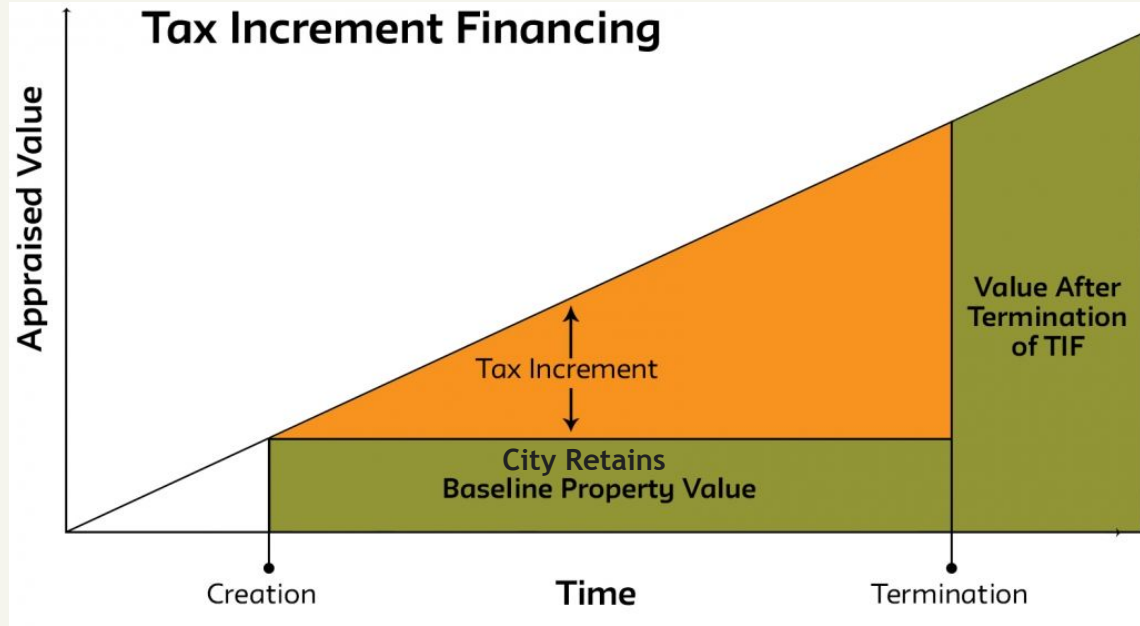
A public financing method used by local governments to promote economic development, allowing local governments to fund infrastructure improvements and redevelopment projects without raising taxes by leveraging the future increase in property tax revenues resulting from the project's success.

### How TIF Works

1. Establish a TIF District
2. Freeze Property Values
3. Implement Infrastructure Improvements
4. Capture Incremental Taxes
5. Repay Development Costs

### Benefits of TIF

- Stimulates Economic Development
- Improves Infrastructure
- Creates Jobs
- Generates employment during and after redevelopment





# TIF Infrastructure Development: Developer-Backed

## Black Creek

Mountain road infrastructure completed. Additional project phases that generate increment are still under development.

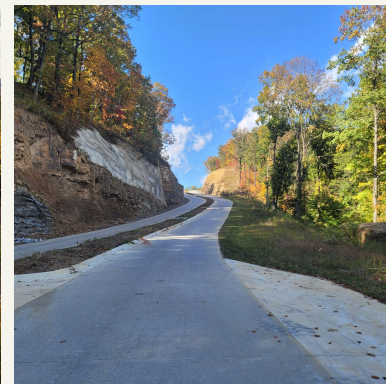
- City incremental taxes generated: \$4, 527, 354
- City increment sent to IDB: \$3,387,152

**\$5,180,953 in city and county increment** paid on Developer-Backed TIF.

\$9,000,000 Principle TIF

20-Year Time Horizon. Last tax year: 12/31/2031

District 1



## Martin Luther King Blvd Extension

Both the project and infrastructure completed.

- City incremental taxes: \$2,690,719
- City increment sent to IDB: \$1,466,497

**\$2,483,210\* in increment** paid on Developer-Backed TIF.

\$3,500,000 Principle TIF

15-Year Time Horizon

District 7



\* City & County property tax increment, with school taxes withheld and additional increment per policies.

# TIF Infrastructure Development: Developer-Backed

## North River Commerce Center

Industrial park infrastructure, realignment of Soccer Road, and associated new signalling completed.  
Two of four industrial buildings completed.

- City incremental taxes generated: \$366,874
- City increment sent to IDB: \$219,207

**\$363,688\* in increment** paid on Developer-backed TIF.

\$9,950,000 Principle TIF

District 2

20-Year Time Horizon for development



## The Bend

Required Phase I infrastructure is currently under development, with **\$15,000,000** spent by developer.

**No increment** has been generated for payment on the Developer-Backed TIF.

\$115,000,000 Principle TIF, which includes \$15,000,000 in sales tax proceeds

District 7

20-Year Time Horizon



\* Combined City & County property tax increment. School taxes withheld.



# TIF Infrastructure Development: City-Backed

## South Broad District/Stadium/Sports Authority

Public and stadium infrastructure are underway.

- City incremental taxes generated: \$442,989
- City increment sent to IDB: \$331,134

In 2024, **\$506,298\* in incremental tax revenues** from the district has been reserved to pay debt service on stadium debt.

This \$115,000,000 project is expected to be funded significantly by tax increment revenues from the district.

30-year time horizon for development

District 7



## East Chattanooga Rising

Project approved March 2020. Sewer relocation and Hardy ST Extension infrastructure completed.

- City incremental taxes generated: \$90,202
- City increment sent to IDB: \$57,207

**\$113,741\*** has been paid to service debt on infrastructure completed by Department of Public Works on this City/County-Backed TIF.

- This project is behind schedule.
- Next steps include a pending update to the 2021 Market Analysis.
- August RFP for remaining TIF parcels.

\$4,000,000 Principle TIF

15-year time horizon for development

District 8



\* Combined City & County property tax increment. School taxes withheld.



# Payment in Lieu of Taxes (PILOT)

PILOT agreements enable targeted industry businesses to pay a reduced tax rate in exchange for commitments to job creation and capital investment.

These agreements are crucial in attracting and retaining companies to foster local economic development.

PILOT incentives are based on City Council's recently approved 2025 PILOT policies.

# Coca-Cola

District 6



# Gestamp

District 6



# M&M Industries\*

District 9



\*PILOT Ends 12/31/2025

OPmobility\*  
District 6



Steam Logistics  
District 7



Unum\*  
District 7



\*PILOT Ends 12/31/2025

Volkswagen

District 6



Yangeng

District 5



PUREGraphite

District 7



Novonix

District 6

**City of Chattanooga - Tracked and Verified PILOT Projects for Job Creation**

	PILOT Years	PILOT Duration in Years	Determination Date	PILOT Value	Investment Commitment	Contractual Investment Commitment	Actual Investment	Jobs Commitment	Contractual Jobs Commitment	Actual Jobs	Wages Commitment	Actual Wages	Actual Taxes Paid 2024	Actual Annual Payroll
Coca-Cola Bottling Co. United	2016-2027	12	4/23/2017	\$5,959,460	\$62,000,000	\$62,000,000	\$64,422,972	Retain 270 43	Retain 270 43	Retained 270 64	\$45,000	\$63,055	\$500,042	\$4,035,520
Gestamp	2011-2024	14	12/31/2013	\$7,247,749	\$90,300,000	\$90,300,000	\$93,939,600	230	230	262	\$38,247	\$58,702	\$974,845	\$15,379,924
Gestamp	2017-2029	13	1/1/2023	\$5,633,188	\$228,000,000	\$182,400,000	\$238,543,466	660	528	571	\$47,318	\$58,702	\$1,401,160	\$33,518,842
M & M Industries	2019-2025	7	1/1/2023	\$956,952	\$42,700,000	\$34,160,000	\$79,672,724	110	88	100	\$37,274	\$43,198	\$204,671	\$4,319,800
OPmobility (formerly Plastic Omnium)	2016-2025	10	3/1/2018	\$2,995,386	\$70,000,000	\$50,000,000	\$77,800,000	300	250	267	\$44,699	\$46,780	\$351,035	\$12,490,260
Steam Logistics	2023-2031	9	10/1/2026	\$525,420	\$11,200,000	\$10,080,000	\$12,000,000	400	360	59	\$56,000	\$57,100	\$57,871	\$3,368,900
Unum	2011-2025	15	12/31/2013	\$4,723,992	\$21,000,000	\$21,000,000	\$19,826,988	n/a	n/a	n/a	n/a	n/a	\$166,418	n/a
Volkswagen	2010-2039	30		\$238,404,530	\$1,600,000,000	\$1,600,000,000	\$2,764,700,000	4,000	4,000	5,239		\$50,450	\$5,061,559	\$264,307,550
Yanfeng	2017-2030	14	9/1/2018	\$1,081,038	\$48,000,000	\$38,400,000	\$37,272,223	325	260	242	\$50,000	\$48,952	\$93,789	\$11,846,384
<b>TOTAL / AVERAGE (wage)</b>				<b>\$267,527,715</b>	<b>\$2,173,200,000</b>	<b>\$2,088,340,000</b>	<b>\$3,388,177,973</b>	<b>6,068</b>	<b>5,759</b>	<b>6,804</b>	<b>\$47,448</b>	<b>\$54,287</b>	<b>\$8,811,391</b>	<b>\$349,267,180</b>

**Note 1:** Volkswagen agreement has no reporting requirement. The 2014, 2018 and 2019 expansions did not include a PILOT extension. The wage rate is taken from an impact study conducted by the Boyd Center for Business and Economic Research. VW wages not included in either average.

**Note 2:** Actual taxes paid is based on information currently available for property and school taxes paid. Other taxes may have been paid during this timeframe.

**Note 3:** Revisions to Gestamp project started in 2017. The original project period was 2017-2026 (determination date – 1/1/2020) with the following commitments: \$180,000,000 capital investment and 510 new jobs. In 2019 the company announced the addition of \$48,000,000 investment and 150 jobs to the project. The total investment and jobs were revised upward to \$228,000,000 and 660 respectively. The revised determination date became 1/1/2023.

**Note 4:** a PILOT agreement has been granted, but has not yet started, for Novonix.

**Note 5:** Kordsa was previously granted a PILOT that had not yet started. Kordsa notified both the City of Chattanooga and Hamilton County on January 22, 2025 that they have made the decision to halt the progress of their expansion project due to economic conditions and will not use the local PILOT at this time.

Updated: February 2025

# Questions

