

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

Monday, August 4, 2025 @ 11:00 AM

1. Call meeting to order.
2. Confirmation of Meeting Advertisement and Quorum Present.
3. Minutes approval for the July 14, 2025, monthly meeting.
4. Recognition of any person wishing to address the Board.
5. Presentation by the Chattanooga Chamber re: Master Machine, Inc. Expansion Opportunity.
6. A resolution authorizing the Industrial Development Board Chair or Vice-Chair to execute a Project Grant Agreement (High Growth Jobs and Investment Program) with Economic Development Project Master Machine, Inc. for a competitive performance-based grant per job to support talent development in Nuclear Utilities, Department of Defense, and Department of Energy Infrastructure.
7. Other Business – Discussion Items.

FYI – IDB Debt Report filed with the State Comptroller’s Office.
8. Adjournment.



**INDUSTRIAL DEVELOPMENT BOARD
MONTHLY MEETING MINUTES
John P. Franklin Sr. City Council Building
Assembly Room
Chattanooga, Tennessee
for
Monday, July 14, 2025
11:00 AM**

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

Also Present were: Attorney for the Board, Phillip A. Noblett; Charita Allen (Economic Development); Elizabeth McCright (Chattanooga Housing Authority); Robin Derryberry; Janice Gooden (CALEB); Eleanor Liu (Finance); and Justin Steinmann, Mark Heinzer, and Elizabeth Goss (Wastewater).

Chairman Kerry Hayes called the meeting to order, confirmed the meeting was duly advertised, and established that a quorum was present to conduct business.

ELECTION OF OFFICERS

The 2025-2026 IDB Board Officers are as follows:

Chair Kerry Hayes, motion by Jones/Parker.

Vice-Chairwoman Althea Jones, motion by Kain/Rodgers.

Secretary Gordon Parker, motion by Rodgers/Jones.

Assistant Secretary Jim Floyd, motion by Rodgers/Parker.

MONTHLY MEETING OF JUNE 2, 2025 – MINUTES APPROVAL

On motion of Ms. Jones, seconded by Mr. Parker, the minutes of the June 2, 2025, monthly meeting were unanimously approved as written.

PUBLIC COMMENTS

There was no one from the public who had comments.

IDB VOLKSWAGEN GRANTS FINANCIAL PROGRESS REPORT, PROGRAMS SUMMARY, AND TAX INCREMENT FINANCING (TIF) SUMMARY

Ms. Eleanor Liu gave an overview of the reports. With regard to the VW Grants Financial Progress Report, since the last report in March, nothing has changed. Expense, spent, encumbered, and contingency we are at 99%.

With regard to the Economic Development Program Summary, the combined programs have a cash available and spent of \$2.9 million.

With regard to the e2i2 Program Summary, since the start of the program, today we have spent about \$21 million. The date of this report is June 25th and we have \$4.9 million in cash.

With regard to the TIF Report, the tax payment came in for each of the TIFs. This year we have received five payments: Black Creek Mountain, M.L. King, East Chattanooga Rising, and the first time North Access Road Commerce Center, and the Sports Authority.

The payments actually come in, and almost all of the dollar amounts go out to the developer short of the admin fee. The next page will show in detail each year for each TIF how much we receive from the County, the City, and the Developer. This is the fifth year that we will be receiving payments. The payments received from the County and the City are less than expected. We had a \$4 million loan agreement with the City. So far all we received were payment of interest incurred for each year. The last page showed the itemization sheet on the loans. Each year, the dollar amount of the City is not enough to cover interest. Ms. Charita Allen can give an update.

Ms. Charita Allen said that at the end of the presentation, she has an overview of all of the TIFs. On the East Chattanooga Rising TIF, we currently are in the process of updating the market analysis. It was conducted in late 2020, early 2021, and updating that market analysis with the consultant that provided that and from there we will issue an RFP. We are in the process of doing a market analysis, RFP, which would go for the existing parcels that are still available for development, and that is where we were hoping that would have already happened. That development would happen and we would be adding additional increment to this particular TIF district. We are planning hopefully mid-August, early September, for that RFP for the parcels to

go out. In the meantime, we are having conversations with the developers of the availability of those parcels, the zoning, all of those questions. We anticipate by the end of the year that we will bring forward to this board some type of Development Agreement for the development of those additional parcels which would generate that increment and solve that problem for interest and fees on the debt service.

With regard to that \$4 million debt service, that was for infrastructure for the TIF district with a goal of a master developer coming in and having available at that time \$4 million for them to build out the infrastructure and start construction. We had difficulty finding a developer. In particular, the housing developer at that time, and that is why it has to delay this process. The market has changed a little bit and we no longer are in the heart of COVID and we are hoping that as we are moving forward, we will be able to rectify that situation.

Mr. Jimmy Rodgers asked if the loan is from the IDB to the City. Ms. Allen said correct, it is. Right now the City is servicing the debt. Mr. Rodgers asked if there were interest payments that were not paid. No, the payments have been made. Very little. The very last page of the report shows how much received. So far for the past five years, we have been paying a total of \$430,000. Mr. Rodgers asked if the City was in arrears with the IDB at this point? Ms. Liu said last year we received a letter from the State Comptroller Office regarding the interest payment. We have paid a huge payable. This year we will not show the payment but the receivable is showing up on the City side showing the IDB holder of interest payment.

E2I2 PROJECT UPDATE BY WASTEWATER

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

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.

Mr. Justin Steinmann said that we have both quarterly updates for e2i2 and Class A Power. We have project managers here for any specific questions.

We did come previously for a not to exceed \$400,000 request for easements for this project. In this particular instance, we are looking at acquiring real property for an amount not to exceed \$700,000.

The \$700,000 is a combination of closing costs and other necessary fees. Ms. Elizabeth Goss said that this particular parcel will be used as a permitting and access point for the tech site and the appraised value for the purchase price is \$580,000. Mr. Rodgers asked if the \$580,000 of the \$700,000 is going for the purchase price. What is the other \$120,000? Mr. Steinmann said it includes a combination of closing costs but also, we came with a not to exceed amount because time is of the essence on this purchase. We want to make sure if there were any unanticipated costs within reason that we were authorized. Ms. Goss said it is for City Church off of Lee Hwy. The purchase price has been agreed to already. They originally approached them to see if they would be interested in selling just an access easement which they denied, and that they were not interested. The property for them is away from their main parcel. They want the neighborhood in the back that used to be their retirement community that they sold off many years ago. They decided that they were only interested in selling the whole parcel.

Mr. Steinmann said that we will have the opportunity at a future date once this is completed for the parcel to be transferred to the City and then issue an RFP to sell that portion of the parcel that is not required for this purpose.

Mr. Marcus Cade-Johnson asked what other anticipated costs do you perceive? Mr. Steinmann said that they could reduce the amount if the Board prefers. It just comes down to – we are really purchasing this because from a property schedule standpoint, we really need to keep things moving forward and because this Board only meets once a month and sometimes skips those as needed, we did not want to be in a situation where we were not authorized to spend anything that may come up.

Mr. Gordon Parker again asked the purchase price has already been established in writing with the Seller? Ms. Goss said yes, they agreed to the appraised value. Ms. Nadia Kain asked how the value was determined and the market value. The appraised value is the purchase price but then you are adding an estimate of the fees and closing costs expecting and plus a little buffer.

The motion carried.

ADOPTED

MOCCASIN BEND ENVIRONMENTAL CAMPUS (MBEC)
CLASS A POWER PROJECT UPDATE

Mr. Steinmann does not have a lot of updates to give on this project as of yet. It is currently in the process of alternatives analysis in design, and we are expecting a complete analysis on the next quarterly update to follow and should have quite a bit more information about it as the project is solidifying the different details of that are being determined.

Chairman Hayes said that just as a reminder for us this is the conversion of the biosolids processing as well as how we deal with productive use of RMG or other gas produced as well as replacing our outdated plant. There are some other beneficial things that will be coming up. It is a design build project.

CHATTANOOGA HOUSING AUTHORITY
REQUEST FOR PROJECT FUNDING

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

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)

Ms. Allen said that this item is coming at the request of the Mayor for the IDB to review this item. We have provided a presentation at the last meeting and deferred it to this meeting to allow time for board members to digest the information. The staff is recommending support for this \$1.5 million grant to the Housing Authority. This is allowed under state statute Section 7-53-302(a)(8). This is in alignment with the One Chattanooga Plan for growing household incomes for Chattanoogaans. It is worth noting that the \$1.5 million goes towards the James A. Henry renovation project, which will serve as the community hub for the revitalization of the Choice Neighborhoods Grant Program, keeping in mind it is a \$50 million grant and this provides us with the funding match for part of it. There was loss of appropriation and DOE grant which is why we are coming before the Board.

The City of Chattanooga government stepped in for the \$4.5 million that left a gap of \$1.5 million we are asking the IDB to consider today. This also aligns with the Chattanooga Climbs Higher Plan where there is a component of the James A. Henry Center which will include workforce development, training, upscaling, and at one point a one stop career center which is being refunded because of state funding. The City of Chattanooga will run a one stop career center under different grants.

This is a \$1.5 million request. We heard earlier that the current accounting that the IDB has available for funds is \$2.9 million. Keep in mind that moving forward and through the remainder of 2025 and spring of 2026, the IDB will have an income of roughly \$1,348,037. Those monies come from four different sources. Of the PILOT economic development fees, we have roughly \$459,000 coming in from PILOTs this year and early next year. We have funding of \$538,000 which will be coming back to the IDB for small business programs not designated for Growing Small Business. That is coming from monies that were sitting at Chattanooga Neighborhood Enterprise that are coming to the IDB. We also have a repayment of Neighborhood

Reinvestment Loan Fund. During COVID, the IDB sent \$500,000 to the Southeast Tennessee Development District for implementation of the small business program and will be covered in the presentation later. The \$500,000 was sent over with the stipulation that those funds had to come back to the IDB when they were repaid. To date, \$331,000 has been repaid. Those funds will be coming back to us this year, and we have a County match from Hamilton County government of \$200,000 which is for the High Growth/High Jobs Initiative Program. That is a match for both the IDB and the County.

We are asking this Board to consider approving the \$1.5 million grant that would go to the Chattanooga Housing Authority for the James A. Henry project and we will have come back in roughly \$1.3 million.

After further discussion, we are moving our statutory authority to do this. It is confirmed by Attorney Noblett. The \$1.5 million we are considering transferring monies due us to rectify the fund balance within the twelve months. Ms. Allen said correct, yes. There is a clear workforce development use. Chairman Hayes asked what is the timing for the actual renovation and construction? The Chattanooga Housing Authority will speak about the timing of the project.

Ms. Betsy McCright with the Chattanooga Housing Authority spoke. Currently, the renovation expansion in Phase 1 should be completed by the end of December. The head start will be in February 2026. Chairman Hayes asked regarding the federal funds being taken away, is there any indication that any of those might be replaced or appealed? Ms. McCright would defer to the City on that. It was a Department of Energy grant that the City had applied for \$2.9 million as well as an earmark from the help of \$5 million. Ms. McCright does not know.

Mr. Rodgers asked if anything has substantively changed to the proposed project since Ms. McCright was here last month. Ms. McCright said no, not really.

Mr. Parker had a question about the monies that are due back. Mr. Parker said that he sat up here on board here two or three years, these monies just miraculously just showed up at your last meeting. Who is keeping an eye on what is left? Are there any other monies that the IDB is due and how long has this just been sitting out there? All four funds.

Ms. Allen said they do keep track of this. When a PILOT is approved through City, County, and IDB, we know what those PILOT payments are and when those PILOT payments are coming into the IDB. That is part of that quarterly report that this board receives every month. When you get those monies that are coming into that account, that is from all of those different PILOT funds. The report we get from the Finance Department will show every quarter exactly which company is paying in and what those amounts are. We are tracking that on a regular basis. The CNE one is just one time. CNE was to implement small business programs. They did not. We found out that they were going to send those monies back. That is when that one came in.

With regard to the Revolving Loan Fund, we knew in 2020 that those monies were going to come back to us. They are not due back to the City until 2029. We said there is already \$331,000. Why wait until 2029. Send those monies over to us now. We are requesting those ahead of time. The last one we know exactly where that is. That is a very good question and historically we would not have anticipated funds that are coming in every year. We should do that moving forward.

The motion carried.

ADOPTED

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

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)

The motion carried.

ADOPTED

OTHER BUSINESS – DISCUSSION ITEMS

Overview of Existing TIFs and PILOTs By Charita Allen

Ms. Allen had a presentation for the Board. We had an education session here at the IDB. Most of the legislation that is for small business programs requires that the Board provides an annual update of all programs to both the City Council and the IDB. This will be part of that update. Some of these will look familiar because the IDB approved some of these grants and others. This is a duplicate of the report that was done at the City Council on June 24th. This is what we are required to bring to you each year.

We have added two staffers in the last six weeks. For the first time in five years, Economic Development is fully staffed. We are playing on a little catch up on some of our previous programs, including some of our existing TIFs. We have workforce development, economic development, TIF and PILOTs, and moving forward we are fully staffed.

The Economic Development Programs are funded through City Council and IDB.

The Board saw this presentation in April during staff training. Some of these will be sunset soon because the money will be exhausted. Others we may ask for funding from City Council if City Council chooses or we may create new programs. From one extreme, the startups, how this leads, the support startups, and the other extreme as large capital projects. That is where those TIFs and PILOTs come into play and the small businesses in the middle there.

We saw this back in April; these are the recent studies and reports that inform us of the type of incentives that we have and either revise or create new ones. This is the Neighborhood Reinvestment Fund which was part of the loan fund where the IDB put the \$500,000 towards loans to small businesses right after we shut businesses down during COVID. That is where this \$331,000 has been repaid. Of the 46 businesses that receive loans, 43 are current on payments. We have had two business closures. One acquired and bought their land, the other went out of business, both businesses are still making loan payments.

These are the small business programs that are approved here at the IDB. This was a slide forwarded to the City Council because we had to report to City Council. In the last fiscal year, we only had four but the department was the only staff for five months out of the year. See attached presentation to these minutes for further details.

With regard to TIFs and PILOTs, there are two types of TIFs. They are developer backed and City or County backed TIFs. Developer backed TIFs is where the developer is assuming all of the risk. For City and County, the City and County are assuming all of the risk.

For tax increment, we look at the current tax base of a project or project area. We look at what kind of development they are adding and implementing and as that tax base increases that increment tax is what is used to define infrastructure for the project. Keeping in mind, these are infrastructure TIFs.

After further discussion, Ms. Allen went over the details of the TIFs and see attached presentation for the details.

After further discussion, Mr. Rodgers asked about vertical development and why is one generated payment and one is not? Ms. Allen said it is just a function of the type of development that has happened in the assessment, how it is assessed. Has the value of the property improved from development of the stadium versus for instance in the stadium district there are additional parcels included in that larger district that already have development and benefits. That is what is generating that additional increment. The way The Bend district is drawn, there has not been either selling off of parcels or construction on those parcels that can generate increment in the entire district. The difference is that the stadium district much larger district, much larger parcels if you are talking 100s of parcels and sort of the development that is happening in and around the stadium proper footprint.

As Mr. Rodgers recalls, The Bend project was announced before the stadium and is the administration concerned about the status of The Bend development? Ms. Allen said no. She thinks what is happening is that development will happen. It is taking longer to happen. Some of that is driven is that it is a smaller TIF district, and we will see the same for instance in East

Chattanooga Rising was a smaller TIF district as opposed to drawing a larger district where the development that happens around it can fuel additional increment into that. It is the pluses and minuses. A large district takes lots of time to manage and lots of parcels because we have the parcel map and we know every year we have to trigger certain parcels. That is a lot more intensive than a management site. For instance, do you want to do a smaller TIF district where you have more developers who are making all of the development happen versus a larger TIF district where you have hundreds of parcels with dozens and dozens making the increment happen.

Mr. Parker said the stadium tended to get the most negative pushback yet here it seems to be our biggest win so far. Ms. Allen said yes. It is a great point. There is a lot of excitement around the stadium which is why there is a lot of excitement happening on the parcels around the stadium.

Chairman Hayes asked Ms. Allen if she knew what the following steps are and how long that is open. Ms. Allen said they are having conversations to determine the timeframe. We would like to have something happen fairly quickly after August. Mid-August there will be additional updates.

Ms. Allen said we use the PILOT tools to recruit and help local businesses that are expanding that have exportable products or services. This is a tool that we use to build the economy because we are using this tool for companies that can take whatever service they provide or the products they make and sell them out. That is bringing new dollars into the economy. That is how we use this tool.

The PILOTs are Coca-Cola, Gestamp, M&M Industries, OPmobility (used to be Plastic Omnium), Steam Logistics, Unum, Volkswagen, Yanfeng, PUREGraphite (Big Blue), and Novonix (Big Green).

The PILOT summary report can be found attached to these minutes. This report comes to the City, County, and IDB every year. What happens is we get into February, review all of the data and results, and make it available in April after we have confirmed everything. This is an overview of a PILOT – the PILOT years, how long the PILOT is, the termination date, when they are going to start their job creation, which comes into play if you have a project that is constructing a facility. They may have a ten year PILOT, they may be getting an incentive from the State, and during those ten years they pick the window where their job creation will happen. Obviously, if you are constructing a facility, you might not have a job creation for the first two years because you are still under construction and you are not going to be hired until year three. Some may have their job creation at a five year period from four, five, and six or three, four, and five. That is where those termination years come into play.

The PILOT value, investment commitment, actual investment, and contractual commitment. If a company receives an incentive from the State, the State requires the company to be 90% compliant in order to keep their incentive. After further discussion, wages committed, actual wages, this is where we want to incentivize higher wage jobs, jobs with benefits, career paths into higher wages, actual taxes paid, and annual payroll. We are incentivizing companies that help grow our economy, they are bringing new dollars into the economy, and we will get

actual annual payroll. The payroll dollars are typically dollars that stay in our economy. That is where dollars start recirculating, which is where those dollars start to impact on the small businesses that we incentivize on the other end. That is where we take the PILOT fees that come in the economic development fee payments and the IDB funds all of those other small programs. Those are the businesses that help with the recirculation of dollars coming from that annual payroll.

Ms. Melody Shekari asked about the termination date, when they are meeting actual compliance. Ms. Allen said that is when they start their jobs and have to comply. The Steam Logistics numbers are off and that was a special project where that incentive was part of much like Unum was developing a parking garage and essentially had no job creation. On Steam Logistics, there was job creation, the job creation was moved out, the goal of that project was the redevelopment of the John Ross Building. Vacant building 20 years dilapidated in our downtown and in our tourist district. Again, the goal of that one was getting that reconstructed, putting it under a PILOT, starting the job phase. The benefit was having the structure come under a PILOT under the ownership of the IDB during the renovation period and moving forward looking over the capital investment.

Mr. Parker asked about Yanfeng. Ms. Allen said Yanfeng and Plastic Omnium are the two that at some point during their term have had clawback issues. What that looks like is when a company is not compliant, every agreement is different, basically the non-compliant agreements allow the Mayors to decide do we want to implement a penalty based on not having that capital investment or not having that job creation. Once the Mayor has determined to exercise that agreement, then we look at, and contact the County, Property Assessor, there are 14 people that have to be notified by certified mail that we are enacting this penalty and it is based on the percentage point they are not in compliance.

We monitor that every year and that is part of the process. We get the report in February, we look through the report, we confirm all of the jobs, we confirm and ask for receipts, and confirm the capital investment and determine if we need to implement a penalty and if so, what does that look like. We have conversations with the two Mayors and the 14 people involved.

Chairman Hayes asked if the policies allow for an extension, do the companies need or want, is that considered in the policies that were passed? Ms. Allen said that previous policies did have a provision that would allow for an extension keeping in mind they were all negotiated individually. Moving forward with our new PILOT policy, we removed that provision. There is not an ability to automatically come forward and extend or automatically add additional cap adds.

Ms. Shekari asked about clawbacks being contractual. It is contractual. The two Mayors sign the agreement and at the end of the day the Chamber typically the Chamber of Commerce and they are contracted by both the City and County to handle our business attraction, retention improvement programs and will bring it forward, they will vet it, and look at it and take it to the City/County staff. Once it passes City/County staff, it goes to City/County Mayors and at that point the negotiations happen. Typically, the companies will want to meet with the Mayors and have that back and forth and there are usually two meetings to get to that point and then it comes back to staff, our city attorney, and outside counsel and at that point we are restructuring the agreement. Which is nice because as approved in our recent policies, we now have a template

PILOT agreement which we basically say that if you would like a PILOT, here is our agreement, if you want to make any changes or modifications, we get to decide what those look like, and that is where the negotiations start. As a result when it comes to exercising the penalty fees, that is where the two Mayors come into play. After further discussion, the presentation was concluded.

Certificate of Self-Insurance for the IDB for Easement

Attorney Noblett said this is something that has been negotiated out at this point in time based upon the fact that the e2i2 project had a number of properties that we are trying to get easements from to be able to get access. One of the issues that came up was where the property is being owned by the IDB as opposed to being owned by the City of Chattanooga. The City and IDB can do a Certificate of Self-Insurance in the event that there is a Tort Liability Act claim and that the Board does not have any specific insurance policy. We determined it would be covered as a governmental entity under the self-insurance provisions. We have given them a Certificate of Self-Insurance and wanted to advise this body of that. We consider this to be a governmental entity under state law and are subject to the limits of the Tort Liability Act in Tennessee.



There being no further business, a motion was made by Ms. Jones, seconded by Mr. Parker, and the meeting adjourned at 11:50 AM.

GORDON PARKER, *Secretary*

APPROVED:

KERRY HAYES, *Chair*



MASTER MACHINE INC EXPANSION OPPORTUNITY



MASTER MACHINE LLC

- Operating in Chattanooga since 1993, Master Machine specializes in system design & manufacturing, build-to-print services, obsolete reverse engineering, equipment qualification, commercial-grade dedication and complex fabrication, primarily for nuclear focused industries, including nuclear power generation, the Department of Energy, and naval nuclear.
- The company currently operates at a facility at 1410 Workman Rd. where they have 72 employees.



EXPANSION OVERVIEW

- Master Machine reached out to the Chattanooga Chamber in summer 2024 regarding the potential expansion. The Chamber has partnered with TNECD, TVA, City of Chattanooga, and Hamilton County to support the expansion.
- Master Machine LLC is proposing an expansion of their Chattanooga operations and locating to a 79,000 SF facility at 200 Compress St.
 - New Jobs Created: 45 by 12/31/2029
 - Average Wages: \$72,330 annually
 - Estimated New Annual Payroll at full ramp up: \$3,254,850
 - Capital Investment
 - \$7.7 million in real property
 - \$2.5 million in personal property
 - **\$10.2 million total**
 - Chattanooga is competing with NC for the project.



HIGH GROWTH JOBS & INVESTMENT PROGRAM

- Performance based incentive program designed for the creation and retention of net new jobs
- Addressing a need for a tool to support high growth expansions, relocations and new operations that are competitive but do not meet PILOT thresholds
- Project should be in target industries, create at least 25 new jobs over three years, and have average wages at least 80% of the current Hamilton County average wage to encourage economic mobility
- Incentive payout is based on new jobs and wages
- The incentive is performance based and would be paid out as the jobs are created and retained
- Proposing \$3,000/job for Master Machine. Total of \$135,000 between 2026 - 2033
- Hamilton County to support 50% of the incentive; the other 50% would come from the City of Chattanooga's IDB where the grant agreement would be executed



PAYOUT SCHEDULE

Project Marvel Incentive Payout Schedule											
	Job Creation Schedule	Govt Agency	2026	2027	2028	2029	2030	2031	2032	2033	Total
Phase 1 Jobs Created	9	City of Chattanooga IDB	\$3,375	\$3,375	\$3,375	\$3,375					
Date	12/31/2025	Hamilton County	\$3,375	\$3,375	\$3,375	\$3,375					
Phase 2 Jobs Created	9	City of Chattanooga IDB		\$3,375	\$3,375	\$3,375	\$3,375				
Date	12/31/2026	Hamilton County		\$3,375	\$3,375	\$3,375	\$3,375				
Phase 3 Jobs Created	9	City of Chattanooga IDB			\$3,375	\$3,375	\$3,375	\$3,375			
Date	12/31/2027	Hamilton County			\$3,375	\$3,375	\$3,375	\$3,375			
Phase 4 Jobs Created	9	City of Chattanooga IDB				\$3,375	\$3,375	\$3,375	\$3,375		
Date	12/31/2028	Hamilton County				\$3,375	\$3,375	\$3,375	\$3,375		
Phase 5 Jobs Created	9	City of Chattanooga IDB					\$3,375	\$3,375	\$3,375	\$3,375	
Date	12/31/2029	Hamilton County					\$3,375	\$3,375	\$3,375	\$3,375	
Total New Jobs	45	Total Payout	\$6,750	\$13,500	\$20,250	\$27,000	\$27,000	\$20,250	\$13,500	\$6,750	\$135,000
		City of Chattanooga IDB	\$3,375	\$6,750	\$10,125	\$13,500	\$13,500	\$10,125	\$6,750	\$3,375	\$67,500
		Hamilton County	\$3,375	\$6,750	\$10,125	\$13,500	\$13,500	\$10,125	\$6,750	\$3,375	\$67,500

**If the client is in compliance, the City IDB would process the grant payment by Mar 1st of each performance year.*



COMPLIANCE

- Master Machine will submit an annual compliance report to show that the new jobs were created by December 31st of each proposed ramp up year.
- The company must meet 90% of their proposed job creation to receive any payout for that year.
- Incentive amounts are up-to amounts. If the company goes above and beyond their job creation estimates, the payout remains the same each year and does not accelerate.
- Additionally, the company will submit four quarter average employment figures to ensure that the previous year's jobs are retained.
- Once the City and County have confirmed compliance, the IDB will provide the incentive amount by March 1st of that year's compliance.



RESOLUTION

A RESOLUTION AUTHORIZING THE INDUSTRIAL DEVELOPMENT BOARD CHAIR OR VICE-CHAIR TO EXECUTE A PROJECT GRANT AGREEMENT (HIGH GROWTH JOBS AND INVESTMENT PROGRAM) WITH ECONOMIC DEVELOPMENT PROJECT MASTER MACHINE, INC. FOR A COMPETITIVE PERFORMANCE-BASED GRANT PER JOB TO SUPPORT TALENT DEVELOPMENT IN NUCLEAR UTILITIES, DEPARTMENT OF DEFENSE, AND DEPARTMENT OF ENERGY INFRASTRUCTURE.

BE IT RESOLVED, that the Industrial Development Board of the City of Chattanooga is hereby authorizing the Chair or Vice-Chair to execute a Project Grant Agreement (High Growth Jobs and Investment Program) with Economic Development Project Master Machine, Inc. for a competitive performance-based grant per job to support talent development in Nuclear Utilities, Department of Defense, and Department of Energy Infrastructure.

ADOPTED: August 4, 2025

THE INDUSTRIAL DEVELOPMENT
BOARD OF THE CITY OF CHATTANOOGA

Attest:

KERRY HAYES, Chair

GORDON PARKER, Secretary

**PROJECT GRANT AGREEMENT
(HIGH GROWTH JOBS AND INVESTMENT PROGRAM)**

THIS PROJECT GRANT AGREEMENT (this “Agreement”) dated as of the 23rd day of July, 2025 by and between **Master Machine, Inc.**, a Tennessee corporation (“Grantee”), and **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE**, a public nonprofit corporation organized under Tenn. Code Ann. §§ 7-53-101, et. seq. (the “Board”).

RECITALS

WHEREAS, pursuant to Tenn. Code Ann. §§ 7-53-101 et seq. (the “IDB Act”), the Board is authorized to assist with certain projects, as defined in the IDB Act, in order to promote economic development and in connection therewith has the authority to donate and convey any of its properties, including its revenues; and

WHEREAS, Grantee has agreed to undertake an eligible project within the corporate limits of the City of Chattanooga, Tennessee (the “City”) and within the boundaries of Hamilton County, Tennessee (the “County”); and

WHEREAS, in order to encourage the undertaking of the Project and the additional employment of citizens of the City and/or the County that will occur as a result thereof, the Board has agreed to provide assistance to the Project in accordance with the terms set forth herein; and

WHEREAS, it is the purpose of the IDB Act to empower the Board to have all powers that may be necessary to enable the Board to maintain and increase employment opportunities in the City and the County, and the IDB Act provides that the Board’s powers are to be liberally construed to allow the Board to accomplish these purposes; and

WHEREAS, the Project will confer a significant economic development benefit to the public, and the assistance provided for hereunder is being provided only for the purpose of attaining a benefit for the general community; and

WHEREAS, for the purpose of establishing the rights and obligations of the parties with respect to the matters described above and related matters, the parties have entered into this Agreement.

NOW, THEREFORE, in consideration of the terms, conditions and mutual agreements by and between the parties, as hereafter set forth in detail, the parties do hereby mutually agree as follows:

1. Definitions.

In addition to the capitalized terms defined elsewhere in this Agreement, the following terms shall have the meanings specified below:

“Act of Bankruptcy” means:

(a) Grantee’s filing a petition in bankruptcy or for reorganization under the bankruptcy laws or an admission, answer or other responsive pleading consenting to or requesting the relief afforded by the bankruptcy laws and such case has not been dismissed within sixty (60) days of its commencement; or

(b) the filing against by Grantee of a petition in bankruptcy or for reorganization under the bankruptcy laws and such case has not been dismissed within sixty (60) days of its commencement.

“Baseline Employees” shall mean the employees employed by Grantee in the City as of March 1, 2024 in the positions shown on Exhibit C. Grantee may adjust the positions of the Baseline Employees as needed to efficiently operate its business from time to time provided the payroll for the Baseline Employees does not decrease. For purposes of calculating the number of Baseline Employees for purposes of this Agreement, any vacant positions that Grantee is seeking to fill shall be counted for such purposes.

“Maximum Reimbursement Amount” shall mean \$135,000.

“New Employee Annual Goal” means the goal for the number of New Employees for each year as shown on Exhibit B.

“New Employees” means employees employed by the Grantee in the City after the date of this Agreement in addition to the Baseline Employees with an average annual wage, excluding benefits, equal to or in excess of \$58,639 annually.

“Person” means an individual, a corporation, a partnership, a limited liability company, a trust or any other entity or organization, including a governmental or political subdivision or an agency or instrumentality thereof.

“Project” means the design, construction and equipping of the facilities described on Exhibit A attached hereto to be undertaken by Grantee as provided herein.

“State” means the State of Tennessee.

2. Representations and Warranties

2.1 Representations and Warranties of Grantee. Grantee represents and warrants for the benefit of the Board as follows:

(a) Organization. Grantee is a corporation duly organized, validly existing and in good standing under the laws of the State of Tennessee, duly qualified to conduct business in the State, is in compliance with the laws of the State, and has the power and authority to own its properties and assets and to carry on its business in the State of Tennessee as now being conducted and as hereby contemplated.

(b) Authority. Grantee has the power and authority to enter into this Agreement and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by Grantee.

(c) Binding Obligations. This Agreement is a legal, valid and binding obligation of Grantee enforceable against Grantee in accordance with its terms, subject to applicable insolvency laws and equitable principles.

(d) No Litigation. No litigation at law or in equity or proceeding before any governmental agency involving Grantee is pending or, to the knowledge of Grantee, threatened, in which any liability of Grantee is not adequately covered by insurance or in which any judgment or order would have a material adverse effect upon the business or assets of Grantee or the performance of its obligations hereunder.

(e) No Default. Grantee is not in default under or in violation of, and the execution, delivery and compliance by Grantee with the terms and conditions of this Agreement will not conflict with or constitute or result in a default under or violation of, (i) any material agreement or other instrument to which Grantee is a party or by which it is bound, or (ii) any constitutional or statutory provisions or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over Grantee or its property, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation.

(f) Project. Grantee is familiar with and is capable of satisfying all federal, state and local laws and regulations that may affect cost, progress, performance and furnishing of the Project.

3. Grantee's Obligations

3.1 Approvals. Grantee shall also obtain all approvals necessary for the undertaking of the Project including, without limitation, planning approvals, zoning permits (if necessary), building permits and certificates of occupancy. Grantee shall be responsible for overseeing the compliance of the Project's design and development with all applicable permits, laws, regulations, codes and periodic inspections of all governmental and quasi-governmental local, state and federal agencies and authorities having jurisdiction over the Project. Grantee will also arrange for the appropriate municipal and public utility bodies to provide utility and related services to the Project.

3.2 Undertaking of the Project. Grantee shall diligently pursue and complete the Project in accordance with the terms and conditions of this Agreement, and in furtherance of the foregoing, Grantee agrees to the following:

(a) Commencement of Construction. Grantee shall commence the undertaking of the Project on or before July 15, 2025.

(b) Completion. Grantee shall cause the Project to be substantially completed on or before December 31, 2029, subject to any extensions approved by the Board in writing.

(c) Permits, Licenses, Laws, Regulations and Codes. Grantee shall cause all legally or contractually required permits, licenses and certificates of occupancy to be obtained and paid for and shall be responsible for ensuring that all laws, rules, regulations and codes of federal, state and local governments are observed with respect to all work and operations performed pursuant to this Agreement.

3.3 Additional Grantee Commitments. Grantee shall:

(a) Insurance. Through and until completion of the Project, purchase and maintain or cause to be purchased and maintained the following insurance, in form and substance, and with an insurance company reasonably acceptable to the Board, which may be maintained under blanket or umbrella coverage with the following minimum limits of liability:

(i) Workers' Compensation Insurance covering the statutory requirements of the state of Tennessee; and

(ii) Commercial General Liability Insurance with a limit of not less than One Million Dollars (\$1,000,000.00) per each occurrence for bodily injury, personal injury, and property damage and Two Million Dollars (\$2,000,000) in the aggregate.

Grantee shall from time to time and when requested by the Board deliver certificates evidencing such insurance to the Board.

(b) Annual Reports. Not later than January 31st of each year commencing January 31, 2025, and ending on the January 31st following the last year shown on Exhibit B as to which a grant is expected be paid to Grantee, Grantee shall provide the Board with a written report, in such form as shall be reasonably requested by the Board, that includes the following:

- (i) the number of Baseline Employees as of the end of the prior year;
- (ii) the number of New Employees as of the end of each calendar quarter in the prior year, and the average of the number of New Employees for each such calendar quarter (the "New Employee Average").

At the request of the Board, Grantee will submit any information reasonably requested by the Board to determine Grantee's compliance with this Agreement, including reasonable, adequate documentary evidence to substantiate any information included in any such reports by Grantee.

(c) Cooperation as to Hiring. Grantee will cooperate with the Chattanooga Area Chamber of Commerce, the City, the County and other local community organizations that assist with hiring and workforce development to promote locally hiring opportunities at Grantee.

4. Financial Assistance to Project.

4.1 Subject to the limitations below, the Board agrees to make grants to Grantee to reimburse Grantee for costs incurred by Grantee related to the Project. The amount of such payments and the years as to which such payments shall apply are set forth in the schedule attached hereto as Exhibit B; provided, however, that the aggregate amount of such reimbursement for the term of this Agreement shall not exceed the Maximum Reimbursement Amount and the maximum amount payable as to any year shall not exceed the applicable amount shown on Exhibit B. Exhibit B may provide that the New Employee Annual Goal shall be implemented in annual phases, in which case the grants shall correlate to each phase as shown on Exhibit B. Subject to satisfaction of the conditions below, such reimbursement by the Board to Grantee shall be payable on each March 1st following each year shown on Exhibit B.

4.2 The payment from the Board to Grantee of each annual installment pursuant to this Section shall be subject to the following conditions precedent:

4.2.1 No Event of Default shall have occurred and be continuing;

4.2.2 The Board shall have received a written request from Grantee for reimbursement of the costs relating to the Project as to which reimbursement is requested together with evidence, to the Board's reasonable satisfaction, that Grantee has paid the costs as to which reimbursement is requested; and

4.2.3 The New Employee Average for the prior year shall have exceeded 90% of New Employee Annual for that year, and the number of Baseline Employees shall not have declined from the date of this Agreement. For the first year for each New Employee Annual Goal, or phase thereof, the New Employee Average shall be based upon the number of New Employees at the end of the year and not the quarterly average as provided above unless the Board and Grantee agree otherwise. If the New Employee Annual Goal is shown in phases, the phases will be aggregated for purposes of determining whether the condition in this paragraph is satisfied.

4.3 Grantee shall be solely responsible for the amount of all costs, fees and expenses incurred with respect to the Project, other than the reimbursement available in accordance with the terms hereof if the conditions therefor have been satisfied. Grantee agrees that the Board shall not have any obligation to undertake any activities which would cause the Board to incur costs or expenses in excess of the Maximum Reimbursement Amount.

5. Default and Remedies

5.1 Events of Default by Grantee. An “Event of Default” shall occur if:

(a) There shall have occurred a breach by Grantee in any respect under any provision of this Agreement which breach is not cured as provided below; or

(b) An Act of Bankruptcy relating to Grantee shall have occurred.

5.2 Remedies of the Board.

(a) Notice. If there is an Event of Default under Section 5.1(a) hereof, the Board shall not exercise its remedies hereunder unless the Event of Default has not been cured after: (i) written notice to Grantee and (ii) the expiration of thirty (30) days after such notice, provided that in the event any nonmonetary default cannot reasonably be cured within such thirty (30) day period, but can reasonably be cured within a sixty (60) day period, Grantee shall have an additional period of time, not to exceed sixty (60) days, after such written notice to cure such default, provided that Grantee proceeds promptly, diligently and in good faith to cure said default.

(b) Remedies. Upon the occurrence of an Event of Default by Grantee and failure to cure under Section 5.2(a) with respect to an Event of Default under Section 5.1(a), this Agreement may be terminated by the Board by giving written notice to that effect to Grantee.

(c) No Waiver. The failure of the Board to exercise the remedy available to the Board pursuant to the terms of this Agreement shall not be deemed to be a waiver of such remedy or of any of the terms and provisions of this Agreement.

6. General Provisions

6.1 Entire Agreement. This Agreement and related agreements constitute the entire agreement and understanding of the parties with respect to the transactions contemplated hereby, and there are no other terms, understandings, representations, or warranties, express or implied.

6.2 Amendment. No amendment, modification or termination of this Agreement shall be effective unless in writing and signed by the party intending to be bound thereby.

6.3 Third Party Beneficiaries. The parties to this Agreement do not intend the benefit of this Agreement to inure to any third party.

6.4 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

6.5 Time is of the Essence. The parties hereto agree that time is of the essence for the performance of all obligations hereunder.

6.6 Recording. No party hereto shall file or attempt to file this Agreement for record.

6.7 Successors and Assigns. This Agreement may not be assigned by any party hereto without the written consent of all of the other party, which consent shall not be unreasonably withheld, conditioned, or delayed. The sale of all or substantially all of the assets, or the equity interests in Grantee, or a merger or consolidation of Grantee into or with any Person shall constitute a prohibited assignment which, if made without the prior written consent of the Board, shall constitute an Event of Default. Subject as aforesaid, this Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns. Notwithstanding the foregoing, Grantee may assign the payments to be made to Grantee under this Agreement to a lender or mortgagee as collateral for a loan.

6.8 Section Headings. The section headings inserted into this Agreement are for convenience only and are not intended to and shall not be construed to limit, enlarge or affect the scope or intent of this Agreement nor the meaning of any provision hereof.

6.9 Governing Law. The law of the State of Tennessee shall govern this Agreement.

6.10 Independent Contractor; Agency. Grantee is an independent contractor and shall not be considered to be a partner or joint venturer with the Board with respect to the Project.

6.11 Approvals by the Board. Any approval by the Board required hereunder may be granted by a duly authorized representative of the Board and not the board of directors of the Board, unless specifically provided otherwise herein.

6.12 Indemnification. Grantee agrees to indemnify and hold the Board and each of its past, present and future officers, directors, employees and agents (each, an "Indemnified Party"), from and against all liabilities, obligations, claims, damages, penalties, fines, losses, costs and expenses, including reasonable attorneys' fees ("Damages") to the extent resulting from Grantee's actions or inactions related to the transactions contemplated hereby and/or the negotiation, execution and performance of this Agreement or the undertaking or operation of the Project. If any action, suit or proceeding is brought against any Indemnified Party for Damages for which Grantee is required to provide indemnification under this Section, Grantee, upon request, shall at its own expense resist and defend such action, suit or proceeding, or cause the same to be resisted and defended by counsel designated by the Indemnified Party and approved by Grantee, which approval shall not be unreasonably withheld. Each Indemnified Party may retain its own counsel and such expenses shall be borne by Grantee. Grantee shall not be liable for any settlement of any such action, suit or proceeding made without its consent, but if settled with the consent of Grantee or if there be a final judgment for the plaintiff in any such action, Grantee shall indemnify and hold harmless the Indemnified Parties from and against any Damages by reason of such settlement or judgment. The obligations of Grantee under this Section shall survive termination of this Agreement. When any Indemnified Party incurs expenses or renders service in connection with any bankruptcy or insolvency proceeding, such expenses (including the fees and expenses of its counsel) and the compensation for such services are intended to constitute expenses of administration under any bankruptcy law or law relating to creditors rights generally. Amounts payable to the Indemnified Parties hereunder shall be due and payable five (5) days after demand and will accrue interest at the highest rate permitted by law, commencing with the expiration of the five (5)-day period.

6.13 Notices. Any notice, consent or other communication given pursuant to this Agreement shall be in writing and shall be effective either (a) when delivered personally to the party for whom intended, (b) on the second business day following mailing by a nationally recognized overnight courier service, or (c) on the fifth day following mailing by certified or registered mail, return receipt requested, postage

prepaid, in any case addressed to such party as set forth below or as a party may designate by written notice given to the other party in accordance herewith.

To Grantee:

Master Machine, Inc.
1410 Workman Road
Chattanooga, TN 37407
Attention: Warren Brandon

To the Board:

Industrial Development Board of the City of Chattanooga
c/o Office of City Attorney
100 E. 11th Street
Suite 200
Chattanooga, TN 37402
Attention: Chair

6.14 Severability. The invalidity or unenforceability of any particular provision, or part of any provision, of this Agreement shall not affect the other provisions or parts hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions or parts were omitted.

6.15 Limitations on Liability. NO RECOURSE SHALL BE HAD FOR ANY CLAIM BASED UPON ANY OBLIGATION, COVENANT OR AGREEMENT IN THIS AGREEMENT OR ANY TRANSACTION OR MATTER RELATING HERETO AGAINST ANY PAST, PRESENT OR FUTURE DIRECTOR, OFFICER, MEMBER, EMPLOYEE, COUNSEL, OR AGENT OF THE BOARD, WHETHER DIRECTLY OR INDIRECTLY, AND ALL SUCH LIABILITY OF ANY SUCH INDIVIDUAL AS SUCH IS EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF AND IN CONSIDERATION FOR THE BOARD ENTERING INTO THIS AGREEMENT. IN NO EVENT SHALL THE CITY BE OBLIGATED FOR ANY OBLIGATION OF THE BOARD HEREUNDER. NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES OF ANY KIND, ARISING OUT OF OR RELATING TO THIS AGREEMENT, HOWEVER INCURRED, WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY), OR OTHERWISE, EVEN IF SUCH PARTY IS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES IN ADVANCE BY THE OTHER PARTY. GRANTEE'S MAXIMUM AGGREGATE LIABILITY UNDER THIS AGREEMENT SHALL NOT EXCEED THE AMOUNTS PAID BY THE BOARD TO GRANTEE UNDER THIS AGREEMENT.

6.16 No Government Limitation. This Agreement shall not be construed to bind any other agency or instrumentality of federal, state or local government in the enforcement of any regulation, code or law under its jurisdiction.

[Signatures on Next Page]

[Board Signature Page for Grant Agreement]

IN WITNESS WHEREOF this Agreement has been duly executed by the parties hereto as of the day and year first above written.

INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF CHATTANOOGA

By: _____
Chair

[Grantee Signature Page for Grant Agreement]

MASTER MACHINE, INC.
a Tennessee corporation

By: *Dan Patterson*
Dan Patterson, Chief Financial Officer

EXHIBIT A

Project Description

The company is Master Machine, Inc., a Tennessee corporation, and subsidiary of NWS Technologies Holdings, LLC headquartered in Spartanburg, SC. The company serves high specification markets (nuclear utilities, Department of Defense and Department of Energy) with expertise in machining, weld fabrication and engineering services. The company has purchased property in Tennessee at 200 Compress Street, Chattanooga, TN 37405 that will allow the expansion of its operations in the state. As part of the growth, the company will create a minimum of 45 new jobs by December 31, 2029. These jobs will have an annual average wage of \$72,330. The company will make a capital investment of \$7.7 million in real property and \$2.5 million in personal property.

EXHIBIT B

Project Marvel Incentive Payout Schedule											
	Job Creation Schedule	Govt Agency	2026	2027	2028	2029	2030	2031	2032	2033	Total
Phase 1 Jobs Created	9	City of Chattanooga	\$3,375	\$3,375	\$3,375	\$3,375					
Date	12/31/2025	Hamilton County	\$3,375	\$3,375	\$3,375	\$3,375					
Phase 2 Jobs Created	9	City of Chattanooga		\$3,375	\$3,375	\$3,375	\$3,375				
Date	12/31/2026	Hamilton County		\$3,375	\$3,375	\$3,375	\$3,375				
Phase 3 Jobs Created	9	City of Chattanooga			\$3,375	\$3,375	\$3,375	\$3,375			
Date	12/31/2027	Hamilton County			\$3,375	\$3,375	\$3,375	\$3,375			
Phase 4 Jobs Created	9					\$3,375	\$3,375	\$3,375	\$3,375		
Date	12/31/2028					\$3,375	\$3,375	\$3,375	\$3,375		
Phase 5 Jobs Created	9						\$3,375	\$3,375	\$3,375	\$3,375	
Date	12/31/2029						\$3,375	\$3,375	\$3,375	\$3,375	
Total New Jobs	45	Total Payout	\$6,750	\$13,500	\$20,250	\$27,000	\$27,000	\$20,250	\$13,500	\$6,750	\$135,000
		City of Chattanooga	\$3,375	\$6,750	\$10,125	\$13,500	\$13,500	\$10,125	\$6,750	\$3,375	\$67,500
		Hamilton County	\$3,375	\$6,750	\$10,125	\$13,500	\$13,500	\$10,125	\$6,750	\$3,375	\$67,500

EXHIBIT C

List of Baseline Employees

Job Category	# of Employees
Production Operations	52
Management	10
Engineering	8
Quality	2
Total	72

TO: Industrial Development Board of Chattanooga Appointed Members

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

SUBJECT: Approval of Resolution for Master Machine, Inc.

RECOMMENDED ACTION:

Staff recommends that the IDB approve a resolution for Master Machine, Inc. for a competitive performance-based per job grant up to \$135,000 to provide and support talent development in nuclear utilities, Department of Defense, and Department of Energy infrastructure with expertise in machining, weld fabrication, and engineering services.

RESOLUTION:

A RESOLUTION AUTHORIZING THE INDUSTRIAL DEVELOPMENT BOARD CHAIR OR VICE-CHAIR TO EXECUTE A PROJECT GRANT AGREEMENT (HIGH GROWTH JOBS AND INVESTMENT PROGRAM) WITH ECONOMIC DEVELOPMENT PROJECT MASTER MACHINE, INC. FOR A COMPETITIVE PERFORMANCE-BASED GRANT PER JOB TO SUPPORT TALENT DEVELOPMENT IN NUCLEAR UTILITIES, DEPARTMENT OF DEFENSE, AND DEPARTMENT OF ENERGY INFRASTRUCTURE.

STATE OF TENNESSEE AUTHORIZING STATUTE:

Chapter 53 - INDUSTRIAL DEVELOPMENT CORPORATIONS (§§ 7-53-101 — 7-53-317)

Part 3 - OPERATION AND POWERS (§§ 7-53-NEW — 7-53-317)

TN Code § 7-53-302 (2023)

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 3.) Refine Chattanooga’s competitive advantages and traded clusters vs. 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.

SUMMARY OF NEED:

Approval of this resolution will enable the City of Chattanooga and Hamilton County to compete for Master Machine, Inc.'s expansion in partnership with a State of Tennessee retention and expansion incentive.

BACKGROUND AND HISTORY:

Due to limited and declining industrial space, the Chattanooga region is shifting from large-scale industrial recruitments to less capital intensive projects with higher-wages, higher-skills, and/ or the building of a talent pool. Because this new economic development strategy focuses less on land, there is a need for new incentives not tied to property taxes, which the City and County have historically utilized through Payments In Lieu of Taxes (PILOTs) incentives.

The IDB currently focuses on local grants for Innovation, Renewing Chattanooga, and Growing Small Businesses. The funding source for these programs was created in 2015 utilizing PILOT Economic Development Fees paid into the IDB. Once these fees are paid into the IDB, the Board has the authority to create programs for industry and industry workforce programs in support of economic development projects. The new High Growth Jobs and Investment Program is funded from Economic Development Fees at the IDB.

FISCAL IMPACT:

The annual IDB Accounting Report presented during the July 14, 2025⁴ IDB meeting showed **an Economic Development Fee fund balance for account NR14 Z00306 IDB-PILOTS of \$2,362,413 prior to approving a large donation to the Chattanooga Housing Authority. That donation has not been invoiced. After that payment, the effective fund balance would be \$1,132,413.** If approved, this resolution would have an impact of a maximum of \$135,000 to the IDB paid out in a five-year job creation schedule.

EXHIBIT B

Project Marvel Incentive Payout Schedule											
	Job Creation Schedule	Govt Agency	2026	2027	2028	2029	2030	2031	2032	2033	Total
Phase 1 Jobs Created	9	City of Chattanooga	\$3,375	\$3,375	\$3,375	\$3,375					
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		City of Chattanooga	\$3,375	\$6,750	\$10,125	\$13,500	\$13,500	\$10,125	\$6,750	\$3,375	\$67,500
		Hamilton County	\$3,375	\$6,750	\$10,125	\$13,500	\$13,500	\$10,125	\$6,750	\$3,375	\$67,500

Total New Jobs Created	45
Current Job Count	55
Average Wages of New Jobs	\$72,330
Total Incentive Per Job	\$3,000
Total Incentive Amount	\$135,000

ROI: The ROI for this program is measured by the new jobs created, proposed average annual wages and capital investment that will be added to the community. Master Machine, Inc. would add a minimum of 45 new jobs by December 31, 2029 at an average annual wage of \$72,330. That average wage is 115% of the current Hamilton County average wage (\$62,919). The company will make a capital investment of \$7,700,000 in real property and \$2,500,000 in personal property within the City of Chattanooga.



Jason E. Mumpower
Comptroller

IDB Report - IDB Chattanooga - 2025

Contacts

Contact Type	Full Name	Title
IDB President	Kerry Hayes	Chairman
Company / Government		Address
Chattanooga		100 East 11th Street, Suite 200, Chattanooga TN 37402
Email	Phone	Extension
kerry.hayes@gmail.com	9014815104	

Contact Type	Full Name	Title
Board Member	Nadia Kain	Member
Company / Government		Address
Chattanooga		100 East 11th Street, Suite 200, Chattanooga TN 37402
Email	Phone	Extension
nadiak@scoutrealtorgroup.com	4235448996	

Contact Type	Full Name	Title
Board Member	Althea Jones	Vice Chair
Company / Government		Address
Chattanooga		100 East 11th Street, Suite 200, Chattanooga TN 37402
Email	Phone	Extension
arjones@tva.gov	8653855183	

Contact Type	Full Name	Title
Board Member	James Floyd	Assistant Secretary
Company / Government		Address
Chattanooga		100 East 11th Street, Suite 200, Chattanooga TN 37402
Email	Phone	Extension
jim.floyd@inspexservices.com	4234219078	

Contact Type	Full Name	Title
Board Member	Marcus Cade-Johnson	Board Member
Company / Government		Address
Chattanooga		100 East 11th Street, Suite 200, Chattanooga TN 37402

Email	Phone	Extension
marcus.johnson@tvfcu.com	4238657126	

Contact Type	Full Name	Title
Board Member	Gordon Parker	Secretary
Company / Government	Address	
Chattanooga	100 East 11th Street, Suite 200, Chattanooga TN 37402	
Email	Phone	Extension
sgordonparker1@gmail.com	4238383099	

Contact Type	Full Name	Title
Board Member	Jimmy F. Rodgers, Jr.	Member
Company / Government	Address	
Chattanooga	100 East 11th Street, Suite 200, Chattanooga TN 37402	
Email	Phone	Extension
jrodgers@summersfirm.com	4232652385	

Contact Type	Full Name	Title
Board Member	Melody Shekari	Member
Company / Government	Address	
Chattanooga	100 East 11th Street, Suite 200, Chattanooga TN 37402	
Email	Phone	Extension
melody@melodyshekari.com	4232402463	

Contact Type	Full Name	Title
Board Member	Ray Adkins	Member
Company / Government	Address	
Chattanooga	100 East 11th Street, Suite 200, Chattanooga TN 37402	
Email	Phone	Extension
adkins@epbfi.com	4234883188	

Contact Type	Full Name	Title
Authorized Representative	Weston Porter	CFO
Company / Government	Address	
Chattanooga	100 East 11th Street, Suite 200, Chattanooga TN 37402	
Email	Phone	Extension
wporter@chattanooga.gov	4236437368	

Contact Type	Full Name	Title
IDB Legal Counsel	Phillip Noblett	Counsel

Company / Government		Address
Chattanooga		100 East 11th Street, Suite 200, Chattanooga TN 37402
Email	Phone	Extension
pnoblett@chattanooga.gov	4236438233	

Contact Type	Full Name	Title
Financial Advisor	Roberta Long	Assistant Treasurer
Company / Government		Address
City of Chattanooga		100 East 11th Street, Suite 200, Chattanooga TN 37402
Email	Phone	Extension
rlong@chattanooga.gov	4236437271	

Debt Issues

Name of Debt Issue & Issue Year		Project Name / Debt Purpose Description
Tax Increment Revenue Note B (Stadium Development Project) 2024		Stadium Development Project (construction of multi-use sports & entertainment)
Trustee, Paying Agent, or Debt Holder		Final Maturity Date
Contact is Bond Counsel Betsy Knotts (Bass, Berry and Sims PLC)		12/01/2057
Original Dollar Amount		Principal Outstanding Amount (Fiscal Year End)
\$10,000,000.00		\$10,000,000.00
Report on Debt Obligation		Balloon Debt Structure
Yes		No
Derivatives Associated with Debt		Refunding Issue
No		No
IDB Debt or Conduit Debt	Federal Tax Submission Status	Type of Sale
Direct	Taxable	Loan

Name of Debt Issue & Issue Year		Project Name / Debt Purpose Description
North Access Road Plan Area Tax Increment Revenue Note		North Commerce Center on North Access Road - public infrastructure costs including road improvements
Trustee, Paying Agent, or Debt Holder		Final Maturity Date
Access Road, LLC or Sam Berry (Rise Partners)		05/01/2047
Original Dollar Amount		Principal Outstanding Amount (Fiscal Year End)
\$9,900,000.00		\$8,754,000.00
Report on Debt Obligation		Balloon Debt Structure
Yes		No
Derivatives Associated with Debt		Refunding Issue
No		No
IDB Debt or Conduit Debt	Federal Tax Submission Status	Type of Sale

Direct	Tax Exempt	Loan
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Name of Debt Issue & Issue Year		Project Name / Debt Purpose Description	
East Chattanooga Rising (Nippon Paint Automotive Company) - Tubman Site 2020		Nippon Paint Auto Comp	
Trustee, Paying Agent, or Debt Holder		Final Maturity Date	
City of Chattanooga		12/31/2040	
Original Dollar Amount		Principal Outstanding Amount (Fiscal Year End)	
\$4,000,000.00		\$3,985,232.00	
Report on Debt Obligation		Balloon Debt Structure	
Yes		No	
Derivatives Associated with Debt		Refunding Issue	
No		No	
IDB Debt or Conduit Debt	Federal Tax Submission Status	Type of Sale	
Conduit	Taxable	Loan	

Name of Debt Issue & Issue Year		Project Name / Debt Purpose Description	
2018A IDB Revenue Refunding 2007 Bonds		Refunding	
Trustee, Paying Agent, or Debt Holder		Final Maturity Date	
Bank of NY Mellon or Josh McCutcheon (City)		10/01/2028	
Original Dollar Amount		Principal Outstanding Amount (Fiscal Year End)	
\$32,235,000.00		\$23,539,000.00	
Report on Debt Obligation		Balloon Debt Structure	
Yes		No	
Derivatives Associated with Debt		Refunding Issue	
No		Yes	
IDB Debt or Conduit Debt	Federal Tax Submission Status	Type of Sale	
Direct	Tax Exempt	Direct Placement	

Name of Debt Issue & Issue Year		Project Name / Debt Purpose Description	
Tax Increment Revenue Note A (Stadium Development Project) 2024		Stadium Development Project (construction of multi-use sports & entertainment)	
Trustee, Paying Agent, or Debt Holder		Final Maturity Date	
Contact is Bond Counsel Betsy Knotts (Bass, Berry and Sims PLC)		12/01/2057	
Original Dollar Amount		Principal Outstanding Amount (Fiscal Year End)	
\$16,000,000.00		\$16,000,000.00	
Report on Debt Obligation		Balloon Debt Structure	
Yes		No	
Derivatives Associated with Debt		Refunding Issue	
No		No	

IDB Debt or Conduit Debt	Federal Tax Submission Status	Type of Sale
Direct	Taxable	Loan

Name of Debt Issue & Issue Year	Project Name / Debt Purpose Description
Black Creek Mountain 2013	Black Creek
Trustee, Paying Agent, or Debt Holder	Final Maturity Date
Pinnacle Bank or Andy Stone	12/31/2031
Original Dollar Amount	Principal Outstanding Amount (Fiscal Year End)
\$9,089,045.00	\$8,619,332.00
Report on Debt Obligation	Balloon Debt Structure
Yes	No
Derivatives Associated with Debt	Refunding Issue
No	No

IDB Debt or Conduit Debt	Federal Tax Submission Status	Type of Sale
Conduit	Taxable	Loan

Name of Debt Issue & Issue Year	Project Name / Debt Purpose Description
139 Partners d/b/a Evergreen Real Estate - MLK Blvd Extension - Riverwalk - Pinnacle Bank 2018	Riverwalk
Trustee, Paying Agent, or Debt Holder	Final Maturity Date
Pinnacle Bank (Jerry Hampton)	12/10/2036
Original Dollar Amount	Principal Outstanding Amount (Fiscal Year End)
\$3,500,000.00	\$2,119,371.00
Report on Debt Obligation	Balloon Debt Structure
Yes	No
Derivatives Associated with Debt	Refunding Issue
No	No

IDB Debt or Conduit Debt	Federal Tax Submission Status	Type of Sale
Conduit	Taxable	Loan

Name of Debt Issue & Issue Year	Project Name / Debt Purpose Description
Blue Cross Blue Shield 2023	Blue Cross Blue Shield
Trustee, Paying Agent, or Debt Holder	Final Maturity Date
Bank of NY Mellon or Mandy Savage (BCBS)	01/01/2028
Original Dollar Amount	Principal Outstanding Amount (Fiscal Year End)
\$200,000,000.00	\$200,000,000.00
Report on Debt Obligation	Balloon Debt Structure
Yes	No
Derivatives Associated with Debt	Refunding Issue
No	No

IDB Debt or Conduit Debt	Federal Tax Submission Status	Type of Sale
Conduit	Tax Exempt	Loan