



**INDUSTRIAL DEVELOPMENT BOARD
MONTHLY MEETING MINUTES**

John P. Franklin Sr. City Council Building

Assembly Room

Chattanooga, Tennessee

for

Monday, February 2, 2026

11:00 AM

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

Also Present were: Attorney for the Board, Phillip A. Noblett; Justin Bolender (Jacobs Engineering); Weston Porter and Eleanor Liu (Finance); Charita Allen and Winston Brooks (Economic Development); Brock Oliver and Garrett Williams (Henderson, Hutcherson & McCullough); and Mark Heinzer (Wastewater).

Chairwoman Althea Jones confirmed that a quorum was present to conduct business, and the meeting was properly advertised.

MONTHLY MEETING OF JANUARY 5, 2026 – MINUTES APPROVAL

On motion of Mr. Parker, seconded by Mr. Floyd, the minutes of the January 5, 2026, monthly meeting were approved as submitted.

PUBLIC COMMENTS

There was no one from the public with comments.

RESOLUTION

**PRESENTATION OF IDB AUDIT REPORT BY
HENDERSON, HUTCHERSON & MCCULLOUGH**

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

**A RESOLUTION RATIFYING ACTION TAKEN BY THE
INDUSTRIAL DEVELOPMENT BOARD CHAIR AND CITY
FINANCE OFFICER TO EXECUTE A MANAGEMENT
REPRESENTATION LETTER FOR THE AUDITOR,
HENDERSON, HUTCHERSON & MCCULLOUGH PLLC
FOR FISCAL YEAR ENDING JUNE 30, 2025.**

Mr. Brock Oliver is a CPA and gave a brief overview. Operations were in line for what was expected for the 2024 increase in revenue of \$28 million with e2i2. Operations were consistent year-to-year. Overall good news to report. Audit came back clean with no findings, no internal control issues, and no concerns.

Mr. Garrett Williams said the audit report was a clean opinion. We did not have any significant deficiencies or materials noted. The purpose of the audit is to make sure the financials are materially correct. We look at transactions and make sure for the most part everything is in line with what we expect. Significant accounting policies did not change from last year. We look at accounting estimates to make sure those are reasonable. There was no significant estimates noted. There were no issues working with the accounting department and always happy to work with them. They are very helpful in getting us what we need to get the audit done. We were not aware of any consultations with accountants during the audit, we had no uncorrected misstatements during the course of the audit, we were not aware of any fraud or illegal acts throughout the audit, which is good. We did not have any significant matters which we discussed with management during the audit. Overall, the audit went well and was done sooner than typically and we are happy with that.

Mr. Weston Porter spoke at this point. The resolution is related to the management representation letter and that is our representation for the Board and City finances Eleanor Liu managed for the IDB. Our representation to HHM which says that we provided everything you needed, we did not have any disagreements. It is standard language as required by auditing standards that they have to go through. It is the Board's representation to the audit firm saying that we have given you everything, we have not held anything back, and are not aware of anything that you need to be aware of for this audit. Something that has to be signed every year which is what the resolution is for.

Attorney Noblett asked if this report needs to be filed with the State Comptroller's Office. It has already been filed. The motion carried.

ADOPTED

**QUARTERLY PROJECT UPDATE NO. 3 BY WASTEWATER DEPT. AND
JACOBS ENGINEERING GROUP, INC. W-20-027-101 MBEC CLASS A POWER
(PROGRESSIVE DESIGN BUILD)**

and

**QUARTERLY PROJECT UPDATE CONSENT DECREE
PROGRAM MANAGEMENT W-20-001-201 E2I2 SSO
ABATEMENT PROGRAM (PROGRESSIVE DESIGN BUILD)
BY WASTEWATER DEPT. AND JACOBS ENGINEERING GROUP, INC.**

Mr. Mark Heinzer, Administrator for the Wastewater Department, spoke about this item. There are two projects which there are quarterly updates on. The one is the e2i2 Wet Weather Storage Facility Project. That project is progressing well. We are a little over half-way done with it now. If you have driven I-75 near the split of I-24, you have seen some tanks going up over there and that is where this project is. This is going to reduce wet weather events. The project is progressing well. We are on schedule budget and scope wise.

The Class A Power Project is a project that is located at the Wastewater Treatment Facility and there is an overhaul of some of the processes there both the water treatment and the biosolids treatment. Both processes are getting overhauled and upgraded with technology and management.

That project is very early on within the space and right now we have just completed the basis of design. In the Fall, we will do the analysis alternatives. We have selected some alternatives to take it to the next phase of development of design. We received the basis of design report this past week, and we are currently evaluating that, and we will then proceed into the design phase of the project. That is a little bit behind schedule because the alternative analysis took longer than we anticipated with tracking to be completed in the overall timeframe of the project.

As far as the budget is concerned, we are still early on and there has been no budget issues yet. The construction phase is what we will be looking harder at the budget.

Mr. Jimmy Rodgers said the first project that was mentioned, is that the one that is \$153 million? Mr. Heinzer said yes. Do you know at this point how many local contractors, how much business they have gotten out of this project so far? Mr. Heinzer does not have a number for that. There are some local consulting firms that are involved on the construction side. Mr. Heinzer does not have the breakdown but can try to look into that. Mr. Rodgers is curious about \$153 million; how many local contractors are getting any of that \$153 million. Local workers are working on the site like Lawson Electric. They have some local people. Also, Brascoe & Gorrie are out of Birmingham and Rebar Installation Company that is from out of town and have workers out there. That is okay but thinks that in the future on an ongoing basis, we as a body and board need to be mindful of local contractors and local jobs. Please look into that as far as the expenditure is thus far out of the \$153 million and how many have gone to local contractors.

After further discussion regarding construction and how the alternative analysis has taken longer than anticipated, is there any specific reason for that? It is one of those projects that there is a lot of different ways you could go. Trying to look at the different pros and cons of each of

those alternatives took a little bit longer. There is no perfect answer for some of this. Trying to balance the budget with the end product is really where we can take that little extra time to make sure we have it right.

Attorney Noblett said we are at 55.74% complete on the storage tanks. Correct. Close to half-way done. Yes. We are good at that in both budget and scope. There is only 25% on the other project at Moccasin Bend right now. That is just on the design portion.



**OVERVIEW OF PURCHASING PROCESS FOR
CIVICSERVE ECONOMIC DEVELOPMENT SOFTWARE**

Ms. Charita Allen, Senior Advisor for Economic and Workforce Development, spoke about this item. This item is to update and follow-up to our last conversation related to the City staff bringing an item in October to the Board for financial approval. That is for CivicServe economic development software. It was \$44,000. That money came out of the economic fee payments for PILOTs. The \$44,000 came out of the administrative fee that we put on all TIFs. We use that fund to fund this particular item. The staff neglected bringing the full packet when we brought that item and brought in an overview of the software and asked for funding without explaining the process. This is just an overview of the process.

Typically, what happens on software purchases, historically, we have been tracking all of our economic development projects on spreadsheets. For instance, if you are asking for a report on an item from 2008 or 2010, we are pulling into historical spreadsheets for that data. It is the same with TIFs and PILOTs. TIFs have their own spreadsheet and that is how we are tracking that. The goal was for us to pull all of this into one centralized database that also has a public facing, interface with it. We then went to our IT department and said we are looking at software, we can no longer track this as multiple spreadsheets, help us out.

This is a project for anything that is related to software purchases. It has to go through our information technology team. They essentially meet with us internally and ask us what we are looking for and provide us with a worksheet. We complete that worksheet. What you see circled is the research and discovery. That happens within the IT department. They are looking at whether the softwares are secure, safe, and compliant. All of those other pieces. They then come back to us with recommendations and based on those recommendations, we then go through the process of having demonstrations, online demos, face-to-face demos with the appropriate vendors that would be suitable for the software. Those are the two items that we are looking at. Research, discovery, and vendor and scope review.

In the packet is included all of the historicals related to that and within the packet we will see on roughly pages 9 and 10 an overview of all of the different vendors that were reviewed before we got to the selection of CivicServe. For that review, there is a score sheet, an evaluation of did the vendors meet or do they meet all of the requirements that were put forward. Based on that move forward. Some of those vendors were local and were reviewed. Some were not. As an aside, the finance team did hire someone recently who is going out to make sure that local vendors

and local service providers are registered to do business with the City so that they are within our database as we move forward. High level. That is the process we undertook. The Board has all of the documentation in the packet. Ms. Allen is not going to review each vendor individually. That is not necessary at this point. A lot of them had some strong points. All of them met the requirements that we needed for this particular software that we are looking for and that is how we landed on CivicServe.

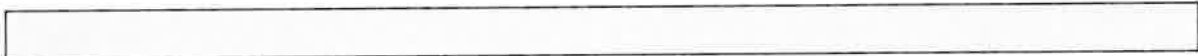
Moving forward, staff will provide more backup and documentation at the front end before we ask you to finance these items.

Attorney Noblett asked if this would help you get the information that we need to enter for the Hutcherson and Comptroller each year. Ms. Allen said it will. Hopefully pressing a couple of buttons. We are looking forward to that.

Ms. Kain asked if Ms. Allen has been able to speak with anyone who uses this program currently. Ms. Allen said they did. The particular program that was selected was based on it being designed specifically for PILOTs and TIFs. Instead of just being a contact database, at the end of day, it is PILOTs, TIFs, the entire lifecycle. The application fees, the marketing fees, application fees for the vetting, all of the different approval steps that happen between four legislative bodies, the tracking, monitoring, and reporting locally and the state. We are in the process of migrating the data now. We are hoping it will be seamless and working on that.

Ms. Allen has not checked with other municipalities. Mr. Winston Brooks led this project and spoke with users of this particular software program and others. There was further discussion regarding selecting a vendor.

Ms. Allen said they will do a better job when bringing items to the Board to explain how we got to the final result versus saying this is the vendor we are asking you to pay for the software.



IDB STAFFING COMPARISON

Mr. Winston Brooks, Director of Economic Development, spoke regarding this item. Back in November, the Board asked for some information about how other markets in Tennessee administered their IDB. This report today is in response to that request.

Mr. Brooks enjoyed speaking with his colleagues across the state in Nashville, Memphis, Knoxville, Clarksville, and Montgomery. It has been very experiential for Mr. Brooks, and he thinks the Board will appreciate the information.

Mr. Brooks also talked to some attorneys about policy involved and Metro Nashville, Memphis, Shelby County, the City of Knoxville which is operated by the Knoxville's Community Development Corporation, and Clarksville Montgomery IDB. Mr. Brooks concluded his follow-up conversation with Mark Mamantov and our internal staff and as you are probably aware Mark Mamantov works with most of the IDBs across the state. His information was very valuable.

Each IDB is authorized under state statute 7-53-101 and for the most part use the same tools for bonds, PILOTs, and TIFs. The two primary administrative models are direct administration of city staff or a third-party organization. Starting with Chattanooga as you know Chattanooga has nine board members and one staff out of the legal team, who does that in her spare time, and she does a great job and could not be done without her support, and shared resources through the City Economic Development, Charita Allen, Mr. Brooks, and the rest of the team, Richard Beeland as well.

Based on that comparison of IDBs across East Tennessee's largest Chattanooga operation of staffing tied with Nashville for the lowest number of staff among the cities listed. Chattanooga operates with many of the IDBs in the state with one or two city staff managing deals and projects for financing with legal support. Chattanooga also supports small business programs such as Edge in Memphis with the city attorney's office providing staff for agendas, communication, and correspondence.

In Nashville they offered something similar to Chattanooga and a formal agreement. Mr. Brooks also wanted to mention that Charita Allen is the Senior Advisor for Workforce Development and Jamar Brown is the Senior Advisor in Nashville. Jamar through an Interlocal Agreement is identified as the one employee for the IDB and also covers the finance departments, legal department, and any other shared resources that might come through the City.

Memphis is a separate organization which manages city and county. They have nine dedicated staff for economic development and have the largest operating income about \$2 million. Mr. Brooks talked about revenue. When he talked to Nashville Senior Advisor Mr. Brown, he encouraged him to try to dig in and find the revenue for the source. Mr. Brooks was not successful in finding all of those revenue sources but found some. Chattanooga goes up and down based on the deals because of the fees that are paid for development tools to the IDB. In Memphis, they do a lot of deals, and their fee structure is higher than ours and that is why they are able to afford the staff of nine. It is also important to realize that they also have a port authority, foreign trade zone. They have a total of 18 employees for that organization. It also manages small business programs like Chattanooga and business attraction. It is interesting to note that Mr. Mamantov said that this was a really unique model throughout the state.

Moving to Knoxville, they are operated by the Knoxville Community Development Corporation. They have one staff member, Mr. Bentley, and he said they basically have one dedicated economic development staff person and another person that does redevelopment that can come in and a CEO could come in if the project needed extra assistance.

Through the conversations, it was advised that Mr. Brooks speak to Clarksville Montgomery County. They are fast growing and catching up with Chattanooga. They are operated with three staff members, they have a CEO, a Workforce Development Director, and a coordinator. They house the Chamber and the Tourism and Economic Development. While it is called Clarksville Montgomery, it is really just a county organization and do help Clarksville and operated by the County. It is operated by the County and also provides \$500,000 a year for operations.

The key takeaways are the ways that they are administered. Basically, city staff or third-party. The staffing levels vary and the largest board is in Clarksville with 13, Memphis has 11 board members, and they are either exclusive to the City they serve, or they are a mix of serving the City and County.

Attorney Noblett asked about Hamilton County because they have their own IDB as well. Mr. Brooks made a great point. Mr. Brooks did not dive directly into their board. Seems like that would have been a good place and Mr. Brooks will get that information. They do specific bond funds and have seen them involved and wondered how they would compare.

Mr. Brent Goldberg said he thinks they are similarly set up as to the way Chattanooga is currently. Mr. Rodgers said as far as these other four locations are any of these staff members paid by the IDB. Ms. Allen does a wonderful job in keeping us informed about what she does, but we do not pay her as a board. The same with Maria and Phil. We as the Board have no employees. Do any of these other four cities have employees?

Mr. Brooks said the Memphis organization is paid by the Edge organization. The only other one that can be questionable is Montgomery and he needs to confirm whether or not they are being paid by the County. They probably are being paid by the County.

Mr. Rodgers said that one of the reasons he asks is because he thinks through this past October through a County audit and some findings that they had, which is what brought this up. Mr. Rodgers is still amazed that Mr. Brooks and Ms. Allen's office can keep up with what you do and do all the side stuff that you are supposed to be doing and yet inform the Board and deal with us as well. From the audit, one issue that arose was someone being designated to oversee these things, keep focus, and make sure we are getting the reports back where we are supposed to be getting from the folks that get the TIFs. That would be a whole lot easier if we had someone he thinks by the IDB and say this is your job. Mr. Rodgers says he thinks we have funding and might pull it off.

Mr. Brooks said this was an interesting discussion we had with Mark Mamantov is how do you structure the fee schedule. You can increase your fees and if you do that you may reduce the number of developers that want to do deals because of the fee structure. That would be something that we would have to negotiate because they are, except for Clarksville, the Edge their fee structure was such that they are producing enough revenue to pay their staff. In Clarksville, the County was providing those resources to pay the staff. But it was probably paid by the County and not the IDB. But Mr. Brooks will go back and find out.

Mr. Goldberg would suggest and he does not disagree, he is not opposed to the Board paying an employee, but he would suggest that we would release employees from the City, so we do not have to set out payroll operations and payroll tax reporting. Mr. Brooks said that this is the issue too. In his discussion with Mark Mamantov, if you become an independent organization then you do have to allow for all of the other resources that you might be able to leverage using city finance department, legal teams, and development staff. That is the decision that has to be made and be willing to standards of all of those organizations. Or how do you arrange. We can continue to dig into this and do some more assessments, talk to all the stakeholders who are involved and see what might make sense.

Mr. Rodgers wishes that you would. That would be helpful to the Board and long-term. Chairwoman Jones said that this is a good first start in providing an overview of our peers and across the state but thinks just some more discussion around this would be helpful and more insight as you are researching more and more discovery.

OTHER BUSINESS/DISCUSSION ITEMS

Mr. Rodgers said we have a board member with a birthday today Ms. Shekari.

There being no further business or discussion items, the meeting adjourned at 11:35 AM.

Jim ~~FLOYD~~ Mar 4, 2026 11:55:41 EST

JIM FLOYD, Secretary

APPROVED:


ALTHEA R. JONES, Chair






02-02-2026 Minutes

Final Audit Report

2026-03-04

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