



**INDUSTRIAL DEVELOPMENT BOARD  
MONTHLY MEETING MINUTES  
John P. Franklin Sr. City Council Building  
Chattanooga, Tennessee  
for  
March 7, 2022  
11:00 AM**

Present were Jimmy F. Rodgers, Jr. (Chair), Althea Jones (Vice-Chair), Patrick Sharpley (Secretary), Gordon Parker (Assistant Secretary), Ray Adkins, and Kerry Hayes. Absent was James Floyd.

Also present were Phillip A. Noblett (Counsel for the Board), Geoffrey Meldahl (Ironworker/Caleb), and Eleanor Liu (City Finance).

Mr. Rodgers called the meeting to order. It was confirmed that a quorum was present to conduct business, and the meeting was duly advertised.



**MEETING OF FEBRUARY 7, 2022 – MINUTES APPROVAL**

On motion of Mr. Adkins, seconded by Ms. Jones, the minutes of the February 7, 2022, meeting were unanimously approved.



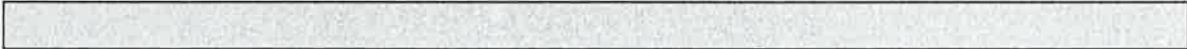
**PERSONS ADDRESSING THE BOARD**

**GEOFFREY MELDAHL**

Geoffrey Meldahl addressed the Board with a protest against the wording on the agendas which are extremely difficult for the average, interested citizens. When a resolution on the current agenda comes up, he looks at it and says what is this, what PILOT or agreement does it pertain to. Whoever is putting the agenda together probably has a much better sense of what these things mean and implications for the City, and if it were possible to move in the future forward with a synopsis or summary of which PILOT it pertains to, or if it is a PILOT, or what the general implications are for the City and what ordinary citizens might find of interest. He imagines it is a small tweak to some legal language, but when you look at the agenda, he is trying to learn more about how the IDB works and government in general. If it were possible, to give a cliff notes version of what each of these agenda items means going forward would be immensely helpful.

The minutes for the IDB especially are always fantastically thorough and good work to the secretary that makes it work as good as they are. It is very easy to understand what happens after the fact but looking at the agenda, it is often difficult to undertake what is going to be happening ahead of time, and whether it is a meeting that someone would be interested in, or what will be going on.

Mr. Rodgers asked Mr. Meldahl if he was with the Caleb organization and if he has been here before. Mr. Meldahl's occupation is as an Iron Worker, and he is lucky enough to be in the past local. Mr. Rodgers thanked him for sharing his thoughts.



**CHAIRMAN'S REPORT**

Mr. Rodgers thanked Ms. Jones for chairing the last meeting. Mr. Rodgers apologized about the confusion in December about the scheduled meetings. We did not have a January meeting, and he was not present in February. Mr. Rodgers is certainly interacting with Mr. Noblett and Ms. Manalla to try to make sure we do not have that situation come up again. As the Board members know that our meetings are established once a month and published, and there should be no surprises to the public or to anybody else within the City. Mr. Rodgers emphasized the importance of the Board being respectful of their time and wants to stick to that. If a special meeting is necessary, it needs to be, in fact, special, and not something just unexpected.

Mr. Jermaine Freeman (Economic Development Office) is normally here and apologized for not being here today. He is out-of-town. He did mention about the City's new IT Director will be helping out with the website.



**VOLKSWAGEN FINANCE REPORT**

Ms. Eleanor Liu did not have a report. There is slow activity. There will be a report next month.



**NEW BUSINESS**

Mr. Rodgers asked Mr. Noblett if it was necessary to read the whole resolution on the agenda. Mr. Noblett stated that we need to read the whole caption because that is what the Board is authorizing. Mr. Noblett will explain what this confusing language is after Mr. Rodgers reads the resolution.

Mr. Rodgers shares Mr. Meldahl's concerns and thinks they are legitimate and fair concerns, if the Board is going to publicize an agenda up front and expect the public to participate and understand what is going on. Even more specifically to the Board, if the Board is going to be prepared for these meetings and have the ability to have meaningful discussions, the Board needs to know what it is the Board is talking about. The Board laughed after being asked if they understood the caption on the agenda. Mr. Rodgers is going to try to work to see what we can do to make sure in advance that when we present an agenda, that the resolutions are written in such a fashion that the Board can at least understand what piece of property it is dealing with, and they do not have to go to the Register's Office to try to find some deed to see what this is about.



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

A RESOLUTION AUTHORIZING THE CHAIR OR VICE-CHAIR OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA TO EXECUTE A SECOND AMENDMENT TO LEASE AGREEMENT AND MEMORANDUM OF LEASE AND A CONFIRMATION OF LIEN RELATED TO A FEE AND LEASEHOLD DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING DATED AS OF DECEMBER 7, 2012 (THE "DEED OF TRUST") EXECUTED BY COLE ID CHATTANOOGA TN, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND THE IDB TO WILLIAM L. ROSENBERG, TRUSTEE FOR THE BENEFIT OF MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC, A NEW YORK LIMITED LIABILITY COMPANY ("ORIGINAL LENDER"), WHICH DEED OF TRUST WAS RECORDED ON JANUARY 2, 2013, AS INSTRUMENT NUMBER 2013010200126 IN BOOK 9836, PAGE 892 IN THE REGISTER'S OFFICE OF HAMILTON COUNTY, TENNESSEE (THE "REGISTER'S OFFICE") AND ENCUMBERS THE PREMISES DESCRIBED ON EXHIBIT A ATTACHED HERETO (THE "PREMISES").

Mr. Noblett explained that this resolution involves a refinancing document for the banks to make sure that they know they have some aspect of a revised security in the property next to the Amazon plant. The Amazon property, and this is well before Mr. Noblett was involved in giving them advice in 2010, had a PILOT Agreement for the development of that area.

The State of Tennessee came in during the course of this process and got a portion of the frontage to make a roundabout. It took a small portion .02% of one acre that needed to be revised in these documents so that they could get their financing straight, and it would not include that for future times. This takes out as you can see on the Second Amendment to the Lease Agreement there have been two amendments over the term since 2010. This one small amendment in here takes out a small portion of the property of .207 acres more or less which is involving that

roundabout. That apparently occurred back in 2014, and they are trying to get their security straight for the future for when they are refinancing the property.

Cole I.D. is actually the owner of the Amazon property. Amazon is still in operation and will not be changing any operations. They do not need that roundabout portion there which is now allowing people to go through Enterprise South more efficiently now. This is only the Second Amendment since that occurred, and this is just clearing up the paperwork.

Mr. Rodgers asked if it was possible for the Board in the future to get a four or five sentence memo or note that says why is this coming before the Board, and why it is being presented to the Board. Mr. Noblett stated the title lawyers are trying to straighten up what is subject to the security that they have in place on the property. It is owned, in this case while that PILOT is continuing, by the IDB and not by Cole I.D.

Mr. Hayes asked if it would make sense to put the District No. as a parenthetical on this. Mr. Noblett stated we can do that and give a short synopsis.

After further discussion, the resolution was unanimously adopted.



#### **OTHER BUSINESS DISCUSSION ITEMS**

##### **(1) WEBSITE**

Mr. Rodgers stated that with regard to the website, the Board has seen some information for a means of improving the current set-up of the website available to the public, IDB, and what they do. Mr. Noblett stated we have the ability now and have put the location on the City Attorney's web page. If the Board believes we have to have an actual web page for the IDB, we can do that. We do not have that established at this point. We did use the advice of the folks in the IT Department for the City in setting up that location. They can add in categories. It is a question of how much visibility do you want to give out or if you want it somewhere other than the City Attorney's location.

This is not actually dealing with the IDB of a City because it is not the City of Chattanooga. It is a separate corporation under state law much like the Health, Educational, and Housing Facility Board. Those are separate corporations and have to be so under Tennessee law. We found another issue that is helpful for IDB activity in how contracts are administered and whether you can use design build contracts. Those are allowed for IDBs even though they might not be for cities. That is another thing we can do to develop the website. The Board can let Mr. Noblett know what can be done in addition, and we will try to do it, and we hope that everybody has had a chance to look at what is out there right now.

Mr. Hayes appreciates the accommodation of what is on the website now because there is some transparency that was not there before. Mr. Hayes asked the following questions:

- Is the Board needing the website to be more competitive in the economic development sense?
- Are there projects missing or sites looking for information that they cannot readily access?
- Is there some marketing purpose that the website needs to fulfill such that Chattanooga might really be at some disadvantage because we do not have something that looks like Knoxville or Memphis? The City of Knoxville has a very impressive looking website.
- Is it within our purview to spend IDB funds to contract for something like this? Mr. Hayes' strong guess is that the Knoxville IDB website is the work of a professional web development firm that does these for a living.
- How we pay for it, is it legal to do so, do we have to access funds for that sort of thing in a different way? These things cost some tens of thousands of dollars in his experience. The Knoxville IDB is an example.

In Mr. Hayes' personal opinion administratively, he does think that it makes a certain amount of sense to separate on-line homes for transparency purposes which is for the Board to discuss and decide if we get to the point where we are really wanting to spend money. Mr. Hayes is kind of curious on guidance on how and if we can do that.

Mr. Noblett stated that is going to depend on what funding you have available to be able to work that out if Economic Development wants to set aside a specific amount which is one way. You do have application fees coming in on PILOTs. That is one method of generating some source of income. That has always been kept separately as a separate fund, and that would be something that you have to spend.

Mr. Hayes asked if our Charter prevents the Board from spending IDB fees on things like this? Mr. Noblett stated it does not. Would we be having access to the City's Economic Development budget for generally a marketing purpose for the IDB? Mr. Noblett stated yes or an appropriation for that matter.

Mr. Rodgers stated we have to follow-up with Mr. Freeman to get his thoughts. Mr. Hayes stated he would be curious to have him comment into the record about does the Administration feel like something like this would be valuable, and the Chamber may have a perspective on that too. Mr. Hayes thinks it would be, but he would want the professionals to tell him as they are going out to find employers with a better IDB website to be a tool in the toolbox that they wished they had to compete against fair markets.

Ms. Jones stated she agrees that her main feedback was having it in its own section on the website with less links and clicks, like the Attorney's section and Boards and Commissions.

Mr. Rodgers stated that the Board should try to improve in what we can do with the current setup and if that is the long-term where we stay, at least it would be improved. Mr. Sharpley likes the setup, but if you did not know to go to the City Attorney. Mr. Parker asked are we missing anything? Is this a wise use of funds and time? Mr. Freeman would be better suited to tell the Board that. Mr. Parker stated that we have the list of PILOTs now listed. Can it be expanded to any TIFs, bonds, and the economic awards for past winners? These are the things the Board is awarding out.

Mr. Rodgers thought it was a good idea to include all that information. Mr. Sharpley asked if it would help to put the tutorial about the PILOTs and TIFs on the website? There are no limitations on space, and it can be moved to whatever site for upkeep. Maintenance is an issue to be discussed for expenses by the Board.

Mr. Rodgers stated that the Board has a consensus to move forward and improve things as we can and look into a separate site down the road. We can table that, keep it on the agenda for the next meeting, keep the discussion going, and see where this leads.

(2) **UPDATE re: NOTICE OF NON-PAYMENT ITEM FOR VOLKSWAGEN**

Mr. Noblett stated we received a notice that a subcontractor on the Volkswagen site had not been paid. We were trying to get an answer from the Volkswagen people on that. We believe that issue has been resolved but wanted to make sure that at least we have gotten any potential notices of liens on property that would be involving Volkswagen to be resolved. We have been in contact with the attorneys for Volkswagen, and they have told us they thought they had it resolved.

Mr. Rodgers asked Mr. Noblett if he could update the Board on PILOT policies. We have TIF policies, but we do not have PILOT policies. Has there been any further discussion from the City Council about having PILOT policies being written or adopted? Mr. Noblett stated not that he is aware. At this point in time, the statutory authority the IDB has for PILOTs is in writing as to what you can and cannot issue things for. Beyond that, the Council has not adopted anything further that he has seen recently. There was some discussion about doing that a number of years ago, and Mr. Hayes may have been involved in that at that point time but never anything formally adopted.

After further discussion, the meeting adjourned at 11:25 a.m.

  
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PATRICK SHARPLEY, *Secretary*

APPROVED:

  
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ALTHEA JONES, *Vice-Chair*