



**INDUSTRIAL DEVELOPMENT BOARD
SPECIAL MONTHLY MEETING MINUTES**

**John P. Franklin Sr. City Council Building
Chattanooga, Tennessee**

**for
April 17, 2023
3:00 PM**

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

Also Present were: Attorney for the Board, Phillip A. Noblett; Scott Sheumaker, Ben Harris, and Steve Jay (Brasfield & Gorrie); Helen Burns Sharp (ATM); Jermaine Freeman (Economic Development); Jason Payne and Bill Payne (City Engineering); Travis Hamby and Xavier Pedeaux (Jacobs Engineering); Janice Gooden (CALEB); Eleanor Liu (City Finance); Jackson Rogers, Paul Boykin, Kenny Charles, Matt Dale, Erika Robinson, and Lindsay Lacey (City); Kevin Krustinsk (Gresham Smith); Mark Heinzer and Justin Steinmann (Wastewater); Gail Hart (Real Property); and Jamie Myers (IT).

Chairman Rodgers called the meeting to order, Attorney Noblett established that the meeting was duly advertised, and a quorum was present with seven board members.



MONTHLY MEETING OF MARCH 6, 2023 – MINUTES APPROVAL

On motion of Mr. Sharpley, seconded by Mr. Adkins, the minutes and transcript of the March 6, 2023, monthly meeting were unanimously approved.



CHAIRMAN'S REPORT

Elections were not held last June. We combined our June and July meetings into one meeting at the end of June. The good news is that the Bylaws do authorize the officers to continue serving until they are duly replaced. We will have elections this June. If you are interested in serving in any capacity, please let everyone know and come prepared for the June meeting to nominate some folks.

Attorney Noblett will follow up from the last meeting about the Amazon PILOT winding down and giving some updates. Attorney Noblett stated that the Amazon PILOT at this point has been completed. We have forwarded the information to the Assessor, and we should be receiving tax payments from them in accordance with the improvements on the property. Amazon will be fully back on the tax roll.

Chairman Rodgers stated if you noticed in the news, the City is talking about spending roughly \$1 million to revamp their website. Given that we spent a lot of time trying to upgrade ours and relying on the City, Chairman Rodgers was concerned how that might impact things. Jamie Myers is here from the City's IT office.

Ms. Myers stated that she does not think that everyone is 100% happy with the City website as it stands right now. It has been a while since it has been worked on from a technical standpoint. We want to modernize our web presence. Part of that is a re-branding visual design and completely rebuilding Chattanooga.gov from the ground up. That is the core of the project. Bringing Chattanooga.gov into a more modern looking field, something that functions better for us as City employees, and for residents who are looking for information.

Right now, IT has been using satellite sites as a band-aid fix for when people want to put information in a more modern looking field, we might spend on the satellite site for that. As we update Chattanooga.gov to be more modern in its field in functioning, we would bring those satellites into the fold. Obviously, Chattanooga.gov takes priority, but we would work with all boards and commissions, and anybody that has a satellite site in the process of moving that information over to a new government website.

We are looking forward to working with all of the boards and commissions, council, and city departments on modernizing Chattanooga's web presence.

Mr. Adkins asked if this would be for the average person who can understand how to get on the website. That is the goal. Right now the way the information works because of those satellite sites, it is not very unified, and confusing for people when searching for information. What we are looking to do is unify our web presence to make it easier for everybody.

Mr. Sharpley asked how would you go about figuring out the information would be when you take representations of what would be on the website for people to view? Ms. Myers said yes, 100%. When it comes time to transfer your information, we work with you and see what needs to be transferred and what does not, what functionality you need in your web pages on Chattanooga.gov. That would be true for everybody. The main website is the primary focus. Once we get that established, we would move on to evaluate our satellite sites and what needs to be done.

The project is just kicking off. They are currently working on the branding aspect and that needs to be done first before they can actually build.

Chairman Rodgers stated there was an article in the paper yesterday about Helen Burns Sharp's picture on the front page. Very good article by David Floyd by the Times-Free Press about a lot of the stuff we do as an Industrial Development Board. If you have not seen it, it would be something for you guys to try to get a hold of and take a look at.

PUBLIC HEARING

TAX INCREMENT FINANCING POLICIES AND PROCEDURES

This portion of the meeting is a transcript submitted by court reporter, Lori Roberson. Please see attached transcript and comments from Ms. Helen Burns Sharp for the record.

Persons with comments:

- **Helen Burns Sharp (ATM)**
- **Janice Gooden (CALEB)**

RESOLUTION

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

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE APPROVING POLICIES AND PROCEDURES FOR TAX INCREMENT FINANCING AND FORWARDING THE ATTACHED DOCUMENT TO THE CHATTANOOGA CITY COUNCIL FOR ITS FURTHER CONSIDERATION.

Chairman Rodgers stated the Board has a one paragraph resolution that was distributed and then there was a separate resolution that the Chairman thinks may provide a more understandable and historical statement of why we are doing what we are doing. It is almost in some ways to know the procedures, what we know is going back to the City Council. From the Chairman's perspective personally, he thinks there needs to be a modified resolution, the longer resolution will give the City Council members an understanding of what is in front of them, where it came from, and why we have done what we have done.

We have two resolutions dealing with the same subject matter and it is up to the Board to make a motion which one the Board wants or something else entirely. The TIF policies and procedures are also open for discussion and if there are any questions or discussion the Board wants to have.

Mr. Parker made a motion to approve the resolution, and would like to say thank you to Ms. Sharp for the last three months in helping to develop a better understanding. Mr. Parker stated he wishes the primary resolution, shorter version, to be passed, without the WHEREAS clauses, and what has been viewed several times in the several months. Mr. Parker's motion was seconded by Mr. Hayes. Mr. Sharpley asked a question; however, it was inaudible from the Clerk's perspective. The court reporter has submitted the transcript.

Mr. Jermaine Freeman stated on behalf of the Administration, they want to thank the Board as well as the community members for all the collaboration and hard work that was spent on revising the TIF policies and making the TIF policies more modern to reflect today's TIF environment. We appreciate all of the hard work from everyone. From the Administration's perspective the longer resolution, circulated over the weekend, does provide a great historical framework for the TIF policy, and the Administration really liked and appreciated a longer resolution for the record.

One thing that we did note as we were going over the TIF policy, is, and Attorney Noblett has a copy, we did want to add one simple phrase in the General Policy, eight words, which says in the first section, General Policy, it is related to the allocation of school taxes, "unless approved by the City or County as applicable". That is the only phrase they want to add. The TIF policy over the past several months has been in a good place, and would like to move forward after adoption today for the City Council's consideration. As we look at what the timeline can be for the City Council's consideration, ideally what they would do is bring it before City Council if it is adopted today, either around May 9th or May 16th for City Council vote, and hopefully after that we can put this policy to bed.

Chairman Rodgers stated the language that the Administration is proposing will fall at the end of the first paragraph of Section 1? Mr. Freeman stated it would fall to the second to last sentence, essentially, it would say, do you see where it says notwithstanding, page 3, General Policy, it currently reads, "Notwithstanding anything herein to the contrary, no portion of City or County property taxes, if any, that is dedicated to, earmarked, or designated for public school operations shall be allocated to the IDB in connection with any Tax Increment Incentive," we would add, "unless approved by the City or County, as applicable," and in connection ..., the rest of the sentence would go on as is. That is a good way for us to make sure that the County understands that they are still ultimately responsible for what happens with the school taxes.

Mr. Adkins asked for the City Attorney's opinion. Attorney Noblett stated the provisions that he is recommending here is the Board made a request on the changes, and after listening to what Ms. Sharp presented to the body at this point in time, the references are thus approved by the City and County is applicable and appropriate as well, because under state law they actually have control over those items. This addressed Mr. Adkins' question.

Attorney Noblett stated that we would need a motion to amend to include that language if the Board wishes, and have to have a vote, and vote to do that as amended. Chairman Rodgers stated that the only caveat being he would add that you heard Mr. Freeman say that the Administration likes WHEREAS, longer resolution, if you are inclined to amend, please consider that. Two amendments.

Mr. Parker stated that he would like to withdraw the motion, seconded by Jones, and Mr. Parker would like to amend his motion in some way to adopt the longer resolution, WHEREAS, Mr. Parker made a motion to adopt the WHEREAS, with the change from Mr. Freeman to Section 1 adding the words, “unless approved by the City or County, as applicable,” Mr. Parker agrees to that, yes, seconded by Mr. Adkins. This motion is not to approve the policies itself, it is to approve the motion to amend by Mr. Parker, then we will vote on a pending motion or to be made motion to adopt the policies. The motion to amend it by Mr. Parker was unanimously approved.

Mr. Parker made a motion to adopt the resolution as amended, seconded by Mr. Adkins, and the resolution was unanimously adopted.

ADOPTED-04-17-2023

CLEAR CHATTANOOGA
WATER FOR LIFE
MOCCASIN BEND ENVIRONMENTAL CAMPUS (MBEC)
GREEN ENERGY PROGRAM
PRESENTATION

Mr. Mark Heinzer (Interim Administrator for the Wastewater Department for the City) gave this presentation to the Board. A few months ago they came before this Board with the e2i2 project. This project today is just as impactful as that. If not more so. The reason they are here today is to partner with the Industrial Development Board on this project.

Mr. Heinzer stated this particular project has been ongoing for a number of years. They have some opportunities at the Wastewater Treatment Plant that blend well with what is going on today. The topics discussed and presented on the slides are attached to these minutes.

The last two years 2021-2023 they looked at all of their energy uses at the plant. They are looking to optimize things. They identified a technology that could help generate some additional energy with the raw materials that come into the plant every day. The technology is to put on a hydrolysis process or THP. There is a capital investment involved and an ROI to that as well. It is not just money used and lost, it is creating overtime and there is an ROI on this project. The initial capital investment is \$130 million, roughly high level ballpark number. We have a WIFIA loan to the amount of \$64 million and an SRF loan in the amount of \$66 million, and have been banking some of the money over the past couple of cycles to front load this project. We have the money and have been planning on this for several years. They are financially ready to do this but because of the design build nature of the project, we seek partnership. The City cannot do a design build directly. What we can do is with the IDB's partnership. This is one of the reasons this is important.

Over the years, this started in 2016-2017, they started thinking about what they were going to do, how we are going to extend the plant, keep capacity available for growth in the City and region. We have some projects online to improve some portions of the plant and this is a significant one that is actually going to allow us to do a lot more with the space we have. We are limited on space at the wastewater treatment plant to expand any larger. This particular technology

has a small footprint that they can put in to make use of our current real estate to actually increase capacity considerably.

Back in 2019, we had a PILOT of this technology to test it out. We even sent people over to Europe where this technology was being used. It was used over there for many years, but not so much in the United States until just the last five or six years. In 2022, we went to Washington, DC, and Virginia Beach and looked at the installations there, and there is also one over in Nashville now. This technology is not so cutting edge that we are really worried about whether it is going to work or not. It has been proven in Europe for a decade or more and in other places as well. We submitted this as our WIFIA loan projects and approved as a WIFIA loan as well.

The current situation we have is that this whole project evolves around the biosolids that are generated through the wastewater treatment process. Right now, the biosolids go into a digester that creates methane that is burned off. The solids that come out we have to stabilize with lime to kill any bacteria and to reduce odors. We then truck those to farms that are far away from the City so there are no odor issues because the product is an odorless product as you can imagine. The farmers love it because it is free fertilizer for them. You do not want it in the City. We have 15 trucks a day, plus or minus, that we have to send out every day from the plant to manage this particular byproduct and is called a Class B product is why it has to go out to the agricultural areas and not close to densely populated areas.

This is our current situation. We are wasting gas, reducing lime, trucking far distances, and sometimes 70-80 miles away from Chattanooga. It is a cost negative to us. We spend a lot of money, and we do not gain anything money wise. What this technology will allow us to do is through a thermal hydrolysis process is pressure cooker for these biosolids. It breaks them down and allows our digesters to deal with much better job of breaking it down even further and generates a whole lot more methane. That methane can then be used. We now have a volume of methane that we can do something with. We can sell those renewable energy credits, we can power vehicles with that, and it is five to six times as much as what we generate today. It is more than what we can use at the plant. We can use it for boilers or creating energy as well. We cannot use it all. We will have extra and want to be able to push that into the economy. We can push this into the gas stream and get those energy credits and sell those on the market. It will also reduce our trucks considerably. We will only have five trucks a day now. Which is a lot better. The other side of this is that it is a Class A product which is not going to smell as much. It can apply to farms closer to the City so we will not have to truck as far.

For those reasons, we are now getting to a point where this project with this additional investment are starting to pay us back. We are not only going to save a lot of money just on the back end processing and moving this out, we are actually going to be able to get revenue from the sale of gas as well. This is the 2028 vision. This is what the WIFIA loan is going to get. This is what we envision to be happening very shortly in the very near future to get this project going.

Beyond that we can go even further. If we were to take that product and put this through a dryer, we could do a couple of things. We actually reduced the volume so much more that we probably would not be trucking it anywhere. We would back this and sell it as fertilizer to Home Depot if we wanted to. This is the product if we have this dryer. This might be something we

aspire is going into the future as well. It will also help get rid of some more impurities like the chemicals.

We can go a step further and start attempting food waste from restaurants and food processing to food manufacturing facilities. We could potentially generate more gas. All this was just being wasted. There is a whole lot of energy in wastewater that just gets wasted and not recaptured. This is an opportunity to recapture that energy. The food and yard waste things, things that will break down, and the biosolids would generate all that is methane producing material that we need to capture that opportunity. This is kind of a future vision we could go further to what we are talking about today.

We have been talking about this for several years and because of the price tag, we wanted to be really sure this is the right way to go. We have looked at other technologies and other ways to expand the plant. Those other ways are energy negative and do not provide a whole lot of energy positive side. We would also take up more real estate. Those two factors make this the most attractive option for us to improve capacity. That is how we have gotten to this point today.

With this green energy that we are creating, green economy, we will be able to use that energy whether it is with city vehicles or putting it out on the open market for renewable energy credits for others. That opportunity is there as well. Those are all of the reasons this was selected over the other options. Adding dryers alone with the THP, all that works but does not give the energy. This was chosen as the most attractive option for us.

We anticipate this partnership looking like the e2i2 project where the owner of the project would be the Industrial Development Board where the City would manage the logistics and contractors, fund the project, just like the e2i2 project. It will work the same way very much. This project is located at the wastewater treatment plant, it is not located at the perimeter of the City like e2i2 project. This is all contained at the wastewater treatment plant. There would be a land lease of a portion of the plant to the IDB for the duration of the project and would be leased back to the City as well. The operations and maintenance of anything that is within that boundary is going to be on the City and the wastewater team. There would not be a responsibility to this Board.

This is going to look much like the e2i2 project. We would use the same structure, and the same design build format. With the design build contract would be selected and awarded through this body. The funds would be provided by the City and distributed through the typical funds transfer process we have now.

This is the City's portion. We would own the facility, do the planning, do the RFPs, and resolutions, and project funding and management, and lease that portion of the site to the IDB.

The timeline to kick this off would be at the next IDB meeting, June 5th, where they would come ask for a resolution to partner, and kick off the schedule with the RFP and design build process.

Mr. Adkins asked, if they had enough funding to start up the operation. Mr. Heinzer stated, yes. The money they received during the operation is going to be a self-financing operation. Mr. Heinzer stated they have two loans – WIFIA loan from EPA and SRF loan from the state. Those two loans are reimbursement loans. We would pay the money and submit reimbursement for those loans to the Board and get reimbursed back. We have enough money to get it started.

Mr. Parker asked if there was someone to do this regionally or nationally. Nationally, Washington, DC, treatment plant, has an excellent operation. They have a much bigger plant and have a billion gallons a day, and we are 230 million gallons a day. They are a large facility, and they are doing this where right now they have a product they can sell at Home Depot. They have people that just buy all of their stuff right away. They sent a lot to the DOT who does their restoration of their right-of-ways. Their costs have gone down so much over the past several years and have been doing it for a few years now, and the costs are going down. Virginia Beach also has this technology, but they are not inclined the same way. They do not have the back end higher processing where they are getting the reduction. His friend in Nashville has a facility, and they are doing it as well. They have some dryers that they use as well and resell through a private vendor. Franklin, TN, is going through growing pains in their facility and getting balanced.

Chairman Rodgers asked Mr. Heinzer if there were any local contractors who are capable of building a facility or own facilities. Mr. Heinzer stated there are contractors that can be subs for this as far as local contractors. This is a \$130 million project, and there is a limited pool of contractors that will even take on a facility of this size. Mr. Heinzer does not know of any contractors in the area. It requires all trades. You have all trades involved in something like this. Anything from mechanical, electrical, structural, geotechnical, concrete. It is all of the above. You are pulling from every resource and lot of those subs could be looked at locally, but the overall project scale is probably beyond the typical local firm we see. Mr. Heinzer is not aware of any off the top of his head. This technology is proprietary in the sense there are only a few outfits in the world that even provide the equipment. There may only be one or two now that even have the technology to sell. That big chunk of the money is coming from the equipment. All stainless steel pressure tanks and tubing. A lot of money is spent on equipment here. A lot of that money is the equipment itself.

Mr. Sharpley asked if the e2i2 project had already gone underway. Mr. Heinzer stated today we are looking to get that contract approved, which is the next item on the agenda. We have gone through the RFP process, selected the contractor and design team for that. With that approval, we will be kicking that project off. Mr. Sharpley asked if any of those contractors were local. Mr. Heinzer did not know. There are some involved. Brasfield & Gorrie are here to talk a little bit about that on the next agenda item.

There will be a presentation at the June 5th meeting.



RESOLUTION

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

A RESOLUTION AUTHORIZING THE CHAIR OR VICE-CHAIR TO EXECUTE A PROGRESSIVE DESIGN BUILD CONTRACT FOR THE E2I2 SANITARY SEWER OVERFLOW (SSO) ABATEMENT PROGRAM – SOUTH LEE HWY. AND WEST CHICKAMAUGA EQUALIZATION STATIONS, CONTRACT NO. W-20-001-201, WITH BRASFIELD & GORRIE, LLC, TO EXECUTE PHASE 1 OF THE PROJECT, IN THE AMOUNT OF FIVE MILLION ONE HUNDRED THIRTY THOUSAND DOLLARS (\$5,130,000.00).

Mr. Ben Harris from Brasfield & Gorrie is present based out of Birmingham, Alabama. A question was asked a minute ago. Brasfield & Gorrie is based in Birmingham but have 13 offices across the southeast – Nashville, Atlanta, Birmingham, Orlando, Riley, Charlotte, and several others. Mr. Harris stated that he would like to say they are local and have done a lot of work in Chattanooga. Mr. Harris personally spent about three years here on a project done at Alstom when they renovated the new Alstom facility. Mr. Harris lived on the northshore and knew a lot about the local area and enjoyed it here.

On their team is Grisham, Smith who is their design partner and have local people who live in Chattanooga offices here. Croy Engineering is on their team as well, who will be doing a lot of the surveying and are based in Chattanooga. They have craft workers and different folks all a part of the team that live here as well. We like to think a company of our size that work in a lot of different cities are currently working in Nashville building wastewater facilities, Birmingham, Lowden, Knoxville, Atlanta, working generally in the southeast so a lot of the subs that work on these type projects are pretty specialized. A lot of the subs, there are some here locally, Adman Electric is one we are using that is based here, a lot of the subs are very specialized and will come in. We have a really robust diversity program that they try to implement on every one of their projects. We try to hire local folks as much as possible. Those are all the kinds of programs that we use on all of our projects all over the southeast that we would be bringing to this one.

They are really excited to be here at this stage. This is a project that they identified a couple of years ago and understand it is important to the City and IDB to try to reduce the overflows being experienced as part of this system. This is the type of work they do. Pretty specialized, but they kind of like to joke it is very essential like the funeral home business there is always going to be a need for water and wastewater infrastructure and take pride in doing it.

Mr. Heinzer is excited and has everything in place to do this now. This is a WIFIA funded project and has a 2028 deadline. This one will take a year to design and probably two to three years in construction.

Mr. Heinzer stated they will be constructing equalization stations which are large storage tanks that are utilized during wet weather events. The system in Chattanooga and the region is older and leaks, water gets in and out, that is the same with the County. Hamilton County Water and Wastewater Treatment Authority has their collection system that again is aging and has its issues. When we get a rain event, we have wastewater overflows that consist of random water and wastewater mixing in, getting out of the system, getting into our stream, and need to eliminate that issue.

The e2i2 project is in conjunction with the County, a joint effort, to eliminate those types of overflows and to reduce those types of overflows as much as they can. There are large storage tanks situated in industrial areas or lowly populated areas where we can intercept a lot of the rain water and store it so that the system is not overtaxed. When the rain subsides, we can release it back into the system and it is treated by the wastewater treatment plant as opposed to finding its way out of a pipeline. They are large storage tanks, not large like a water tank. They are low and wide and we have about 40 million gallons proposed in the e2i2 project. There are 30 in the East Ridge area, and 10 more on Lee Hwy. towards the Ooltewah area. There are two locations.

The contract was reviewed by the City Attorney's office at the front end. The IDB is a building authority under state law and authorizing that to occur. Ms. Jones asked what was going to happen in June. The presentation that Mr. Heinzer gave today would look for a resolution from the Board to partner with them on that project as well. They are putting it out as an RFP.

The motion carried.

ADOPTED-04-17-2023

RESOLUTION

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

A RESOLUTION AUTHORIZING THE CHAIR OR VICE-CHAIR TO ENTER INTO A LEASE WITH THE CITY OF CHATTANOOGA, IN SUBSTANTIALLY THE FORM ATTACHED, FOR THE DESIGN AND CONSTRUCTION OF THE CITY'S PROPOSED WET WEATHER EQUALIZATION STATIONS, TO BE LOCATED AT 6000 CORNELISON ROAD, IDENTIFIED AS TAX MAP NO. 169D-A-001.02; 220 CORNELISON ROAD, IDENTIFIED AS A PORTION OF TAX MAP NO. 157M-A-009.03; AND 7148 LEE HWY., IDENTIFIED AS TAX MAP NOS. 139P-C-008.01 AND 138M-C-002.01, FOR A TERM OF SIX (6) YEARS, FOR AN ANNUAL AMOUNT OF ONE DOLLAR (\$1.00), SUBJECT TO FINAL CLOSING.

Mr. Heinzer stated this particular resolution solidifies that the IDB has control over the project. The City does not own this parcel of land that this project is going on, there are two parcels where we are going to lease that to the IDB up to the duration of the conclusion of the project for

several years for an amount of \$1.00 per year in order to meet the spirit of the IDB having control over the property and project. Attorney Noblett stated that they have reviewed the Lease Agreement as well and is in the packet. There were a couple of locations where there are cell towers on the property. We had to exempt them out from the area in the lease. The IDB will be the operator of this project and will be the leaseholder of the property while the construction will go, and after the construction is completed, it will go back to the City for the operation and maintenance.

The motion carried.

ADOPTED-04-17-2023

RESOLUTION

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

A RESOLUTION ACCEPTING THE ANNUAL REPORT ON PAYMENT IN LIEU OF TAX (PILOT) PROGRAM DATED JANUARY 9, 2023, FOR THE YEARS 2021 AND 2022 FROM HOMESERVE C/O SITE SELECTION GROUP.

Attorney Noblett stated this resolution shows that HomeServe has completed everything that is required of them during the term of the PILOT. There are provisions that require specific jobs to be provided and payments of taxes to be paid. They have provided that documentation. Mr. Hayes made a motion that the language of the resolution be changed to “accept” the Annual Report.

The motion carried.

ADOPTED-04-17-2023

OTHER BUSINESS

The website has already been covered by Jaime Myers from IT.

The PILOT policies and procedures will be included in the June meeting for public hearing. Mr. Freeman will have a draft of the PILOT policies ready by June 5th.

Mr. Freeman thanked the Board on behalf of the Administration for all of the collaboration from the Board as well as the community members on revising the TIF policies. As a reminder, they will advance the revised TIF policies to the City Council for their consideration and approval sometime between May 9th and May 16th. Mr. Freeman will report back at the June 5th meeting.

The next meeting is June 5th, and we will be electing officers. Just a reminder to give some thought as far as to who they might want to elect.


Mr. Freeman stated that earlier this afternoon Chairman Rodgers referenced an article, and one of things the article mentioned was the ongoing Ernst & Young study with the Chattanooga Area Chamber of Commerce. That study is a part of the City and County's strategic planning which charts the future of the goals for economic development for both the City and County. It occurred to him that it would be helpful to invite Ernst & Young to present the strategic planning document to the IDB. The IDB is the primary instrument to advance economic development on behalf of the City. It felt like the IDB should be aligned with what the Chamber is working on, as well as what they are working on with Ernst & Young in terms of chartering the City and County's future prospects and goals for economic development. If it is okay with the Board, we would love to invite Ernst & Young to present that to the Board at the June 5th meeting or at a meeting in July or August or whatever is suitable for the Board so the Board can be in perfect alignment with what the Chamber is doing and what Ernst & Young is doing on behalf of the Chamber.

Chairman Rodgers told Mr. Freeman that the more the IDB is informed, the better. We might want to put that tentatively for July because we are going to have the public hearing about PILOTs in June and want to focus on that June meeting on PILOTs. Ernst & Young are the property managers that were working with the Chamber based out in Austin, Texas, and might not be able to join in person but can present virtually in July.

As part of making sure that the Board are informed about the work the Board does in economic development, we will also be sure to regularly inform the Board when we have Economic Development Committee meetings before the City Council. Those typically come up once every two or three months and provide good updates about what the Economic Development Department is doing as well as specific initiatives and projects they are working on. There is an Economic Development Committee meeting tomorrow that will start between 3:30 p.m. and 4:00 p.m. immediately following the City Council Agenda Session. If the Board is not able to make it in person, we would encourage you to stream on youtube.



After further discussion, the meeting was adjourned at 4:00 PM.


_____, Secretary

APPROVED:


_____, Chair



Maria Manalla <mmanalla@chattanooga.gov>

Fwd: ATM Comments on TIF at 04-17-2023 IDB Public Hearing

1 message

Helen Burns Sharp <untiedlaces@gmail.com>
To: Manalla Maria <mmanalla@chattanooga.gov>

Mon, Apr 17, 2023 at 1:02 PM

Hello, Maria--FYI ~Helen

Helen Burns Sharp |tel. m. 423-994-2382 |
129 Walnut St., Unit 444
Chattanooga, TN 37403

----- Forwarded message -----

From: **Helen Burns Sharp** <untiedlaces@gmail.com>

Date: Sun, Apr 16, 2023 at 3:44 PM

Subject: ATM Comments on TIF at 04-17-2023 IDB Public Hearing

To: Kerry Hayes <kerry.hayes@gmail.com>, Gordon Parker <sgordonparker1@gmail.com>, Ray Adkins <adkins@epbf.com>, Althea Jones <arjones@tva.gov>, James Floyd <jim.floyd@inspexservices.com>, Jimmy Rodgers <jrodgers@summersfirm.com>, Patrick Sharpley <psharpley@iw704jatc.com>

Helen Burns Sharp on behalf of Accountability for Taxpayer Money. ATM is a public interest advocacy group that focuses on tax incentives and government transparency.

The TIF Policies and Procedures document on your agenda reflects changes to the version passed by City Council on November 29, 2022. These are better policies because of the Board's deliberation at your December 5th, January 18th, and March 5th meetings; the testimony at the public hearings, and the additional work by city staff and the city's external legal counsel.

ATM Comments on the Current Version

1) School Taxes and Stormwater Fees--Good to see new wording clarifying the payment of school property taxes and stormwater fees. (Section 1. General Policy)

2) Community Benefits Concept--Good to see new wording (Section 3.2 Board Considerations) saying that the IDB will evaluate a TIF project's community impact in and around the location of the project and that an applicant should consider any concerns of the community and, to the extent practicable, be responsible to such concerns.

3) Application Review Committee--(Section 3.4)--Good to see the IDB assuming a role in the appointment process. The size of this committee would be increased from five to seven, with two members now appointed by the IDB by the end of the calendar year to serve the next calendar year.

4) Third-Party Review--Good to see this concept added to Section 4.11, Applicant Affidavit. The new wording makes clear that the independent consulting firm must have experience in public finance as well as real estate development. In other words, a "but/for" analysis that looks at whether a taxpayer incentive is needed and, if so, for how much and for how long. This is different from the "economic impact analyses" that have been done by consultants on previous TIF and PILOT projects.

Thank you very much for the time and attention you have devoted to reviewing the TIF policies and procedures.

Respectfully--

~Helen

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF CHATTANOOGA, TENNESSEE
MONDAY, APRIL 17, 2023 @ 3:00 P.M.

IN RE: TAX INCREMENT FINANCING POLICIES AND PROCEDURES
RESOLUTION

BOARD MEMBERS PRESENT:

- JIMMY F. RODGERS, JR., Chair
- RAY ADKINS
- JAMES FLOYD
- KERRY HAYES
- ALTHEA JONES, Vice Chair
- GORDON PARKER, Assistant Secretary
- PATRICK SHARPLEY, Secretary

ALSO PRESENT:

- JERMAINE FREEMAN, City Economic Development Officer
- JANICE GOODEN, Economic Mobility Task Force, CALEB
- MARIA MANALLA, City Attorney's Office, Legal Asst.
- PHILLIP A. NOBLETT, Deputy City Attorney
- HELEN BURNS SHARP, Founder, ATM

* * *

03:12:05 1
03:12:05 2 CHAIRMAN RODGERS: We'll move on to the Tax
03:12:09 3 Increment Financing Policies and Procedures. Board
03:12:15 4 members, you should have a one-paragraph resolution that
03:12:19 5 was distributed, and then there was a separate resolution
03:12:25 6 that I think may provide a more understandable and
03:12:33 7 historical statement of why we're doing what we're doing.
03:12:37 8 And it's almost, again, in some ways, to, as we know the
03:12:46 9 procedure to be, what we're doing is going to go back to
03:12:49 10 the City Council, from my perspective.

03:12:50 11 Personally, I think the modified resolution,
03:12:54 12 the longer resolution, will give the City Council members
03:12:58 13 an understanding of what's in front of them, where it
03:13:01 14 came from, and why we've done what we've done.

03:13:05 15 So, at this point, we have got two
03:13:07 16 resolutions dealing with the same subject matter in front
03:13:12 17 of us. It's up to you guys to make a motion, maybe,
03:13:13 18 which one you want, or something else entirely.

03:13:17 19 Before we go through that, though, I did want
03:13:19 20 to throw out the TIF Policies and Procedures as well, and
03:13:26 21 that's certainly open for discussion, if there is any
03:13:28 22 questions, any discussions, that you guys want to have
03:13:31 23 there.

03:13:33 24 So what's your thought relative to the TIF
03:13:36 25 Policies and Procedures and the resolution?

03:13:45 1 MR. SHARPLEY: I have no problem.

03:13:46 2 MR. PARKER: Mr. Chairman, I make a motion to
03:13:52 3 approve the resolution. But I would like to say thank
03:13:57 4 you to Ms. Sharp for her input for the last three months,
03:14:02 5 helping to get a better understanding coming from the
03:14:04 6 other side as well. So thank you, Ms. Sharp.

03:14:06 7 CHAIRMAN RODGERS: And, Mr. Freeman, before I
03:14:07 8 recognize you in a moment, which I intend to -- (to Mr.
03:14:11 9 Parker:) As far as the resolution goes, which one would
03:14:14 10 you prefer as part of your motion?

03:14:18 11 MR. PARKER: The primary.

03:14:20 12 CHAIRMAN RODGERS: The shorter one?

03:14:21 13 MR. PARKER: I'd say the longer one that we
03:14:25 14 worked on.

03:14:26 15 CHAIRMAN RODGERS: Okay. The longer one?

03:14:27 16 MR. PARKER: That is correct.

03:14:29 17 MR. HAYES: (Indicating.)

03:14:31 18 CHAIRMAN RODGERS: The other one, Kerry.

03:14:33 19 MR. HAYES: (Indicating.)

03:14:36 20 CHAIRMAN RODGERS: The other one that has the
03:14:37 21 whereas clauses; is that what you're referring to,
03:14:41 22 Gordon?

03:14:41 23 MR. PARKER: No, sir. (Indicating.)

03:14:43 24 CHAIRMAN RODGERS: Okay.

03:14:45 25 MR. PARKER: It was earlier to your --

03:14:48 1 CHAIRMAN RODGERS: Right. Okay. The shorter
03:14:50 2 version?

03:14:50 3 MR. PARKER: The short resolution that has
03:14:55 4 the 14 pages attached.

03:14:57 5 CHAIRMAN RODGERS: Gotcha. Okay. All right.

03:14:58 6 MS. JONES: That's this one? (Indicating.)

03:15:00 7 MR. NOBLETT: I think you probably --

03:15:02 8 CHAIRMAN RODGERS: It's the one that's
03:15:03 9 initially distributed by the City Attorney's Office.

03:15:06 10 MS. JONES: Okay.

03:15:07 11 CHAIRMAN RODGERS: That does not have the
03:15:09 12 whereas clauses. And that is, Mr. Parker...

03:15:12 13 (Indicating.)

03:15:12 14 MR. PARKER: That is correct. The 14 pages
03:15:16 15 that we've looked at several times in the last several
03:15:20 16 months. There's a one-paged resolution on top adopted
03:15:26 17 April 17 -- the one signed April 17th.

03:15:27 18 MS. JONES: Got it.

03:15:28 19 CHAIRMAN RODGERS: We have a motion from Mr.
03:15:30 20 Parker as far as that resolution goes. Is there a second
03:15:33 21 to that resolution? Anybody?

03:15:36 22 MR. HAYES: I'll second.

03:15:37 23 CHAIRMAN RODGERS: I have a motion and
03:15:38 24 second. Okay. Any discussion at this point from board
03:15:44 25 members?

03:15:44 1 MR. SHARPLEY: Yes. Is that the policy about
03:15:44 2 the IDB executing...

03:15:52 3 MR. PARKER: Yes, sir.

03:15:53 4 CHAIRMAN RODGERS: Yes, sir.

03:15:56 5 MR. SHARPLEY: I didn't see the wording right
03:15:58 6 here.

03:15:58 7 CHAIRMAN RODGERS: Mr. Freeman, let me let
03:15:59 8 you -- before we have any further discussion, let me let
03:16:02 9 you chime in, if you would, here.

03:16:03 10 MR. FREEMAN: Sure. Jermaine Freeman,
03:16:07 11 Economic Development for the City of Chattanooga. First
03:16:08 12 of all, on behalf of the administration, we want to thank
03:16:12 13 the board, as well as the community members, for all the
03:16:15 14 collaboration and hard work that we've all spent on
03:16:18 15 revising the TIF policies and making the TIF policies
03:16:22 16 more modern to reflect today's TIF environment. So we
03:16:25 17 appreciate all the hard work that everyone has done.

03:16:28 18 From the administration's perspective, the
03:16:30 19 longer resolution, Mr. Chair, that you circulated over
03:16:33 20 the weekend does provide a great historical framework for
03:16:37 21 the TIF policy. And so from the administration's
03:16:43 22 perspective, we really liked and appreciated the longer
03:16:43 23 resolution. So I wanted to put that on the record.

03:16:46 24 The one thing that we would -- that we did
03:16:49 25 note, as we were going back and looking through the TIF

03:16:52 1 policy, is -- and I think Phil has as a copy of this --
03:16:55 2 we did want to add one simple phrase in the General
03:16:59 3 Policy. It's about eight words.

03:17:03 4 It's in the first section of General Policy
03:17:06 5 and is related to the allocation of school taxes, and it
03:17:11 6 just says "unless approved by the City or County, as
03:17:13 7 applicable." This is the only phrase that we wanted to
03:17:16 8 add.

03:17:19 9 The TIF policy that we have all worked on for
03:17:22 10 the past several months we feel like is in a good place,
03:17:26 11 and we would like to move forward, after adoption today,
03:17:26 12 for the City Council's consideration.

03:17:33 13 And as we sort of look at what the timeline
03:17:36 14 could be for the City Council's consideration, ideally
03:17:39 15 what we would do is bring it before City Council, if it
03:17:42 16 is adopted today, either around May the 9th or May the
03:17:47 17 16th for a City Council vote, and then, hopefully, after
03:17:49 18 that, we can put this policy to bed.

03:17:53 19 CHAIRMAN RODGERS: Okay. Very good.

03:17:55 20 MR. FREEMAN: That's it.

03:17:56 21 CHAIRMAN RODGERS: Did anyone have any
03:17:58 22 questions for Mr. Freeman?

03:18:01 23 (No response.)

03:18:02 24 CHAIRMAN RODGERS: Now, Mr. Freeman, let me
03:18:03 25 throw out, to be clear, the language that you are

03:18:05 1 proposing from the administration would fall at the end
03:18:09 2 of the first paragraph of Section 1?

03:18:12 3 MR. FREEMAN: Yeah, it would fall into the
03:18:14 4 second to the last sentence. So, essentially, it would
03:18:18 5 -- do you all see where it says "Notwithstanding"? Do
03:18:18 6 you see the word?

03:18:23 7 CHAIRPERSON RODGERS: On page 3, yes, sir.

03:18:25 8 MR. FREEMAN: It's Section 1 of the General
03:18:27 9 Policy. So, it currently reads "Notwithstanding anything
03:18:30 10 herein to the contrary, no portion of City or County
03:18:34 11 property taxes, if any, that is dedicated to, earmarked,
03:18:38 12 or designated for public school operations shall be
03:18:41 13 allocated to the IDB in connection with any Tax Increment
03:18:46 14 Incentive." We would add "unless approved by the City or
03:18:52 15 County, as applicable," and in connection with -- and
03:18:52 16 then the rest of the sentence would go as-is.

03:18:54 17 And so that just is a way for us to ensure
03:18:57 18 that the County understands that they are still
03:18:59 19 ultimately responsible for what happens to school taxes.

03:19:03 20 CHAIRMAN RODGERS: Okay. I understand. Did
03:19:06 21 everyone follow that?

03:19:07 22 MR. ADKINS: Yes.

03:19:11 23 CHAIRMAN RODGERS: Yes, Mr. Adkins.

03:19:13 24 MR. ADKINS: I'd like to get the City
03:19:17 25 Attorney's opinion on these proposals here.

03:19:19 1 CHAIRMAN RODGERS: Okay.

03:19:19 2 MR. NOBLETT: Yes, sir. The provisions that
03:19:22 3 he is recommending here are what y'all have made a
03:19:29 4 request for, at least on the changes, I believe, and
03:19:32 5 after listening to what Ms. Burn Sharp had presented to
03:19:33 6 the body at this point in time. The references that he's
03:19:35 7 just asked for here, "unless approved by the City and
03:19:38 8 County, as applicable," is appropriate as well because
03:19:41 9 under state law, they actually have control over those
03:19:44 10 items. So I believe that would work.

03:19:46 11 MR. ADKINS: Yeah.

03:19:48 12 CHAIRMAN RODGERS: Does that address your
03:19:50 13 question, Mr. Adkins?

03:19:51 14 MR. ADKINS: Yes.

03:19:52 15 CHAIRMAN RODGERS: Thank you, Mr. Noblett.

03:19:53 16 MR. NOBLETT: Yes, sir.

03:19:54 17 CHAIRMAN RODGERS: Any other question for Mr.
03:19:56 18 Freeman?

03:19:57 19 MR. HAYES: Yes.

03:19:58 20 CHAIRMAN RODGERS: Okay. Mr. Hayes.

03:19:58 21 MR. HAYES: Point of order. How do we amend
03:20:02 22 if it's been seconded?

03:20:03 23 MR. NOBLETT: You need to have a motion to
03:20:05 24 amend to include that language, if you wish. You have to
03:20:08 25 have a vote on it, and then vote to move as amended.

03:20:10 1 CHAIRMAN RODGERS: The only caveat being, I
03:20:11 2 would add, that you heard Mr. Freeman say the
03:20:16 3 administration likes the "whereas" longer resolution. So
03:20:19 4 if you are inclined to amend, please consider that.

03:20:23 5 MR. NOBLETT: So two amendments.

03:20:24 6 CHAIRMAN RODGERS: Two amendments, yes. Mr.
03:20:26 7 Parker, it's your motion.

03:20:28 8 MR. PARKER: I would like to withdraw my
03:20:32 9 motion, I can certainly do that.

03:20:34 10 MR. NOBLETT: You need to have a second,
03:20:35 11 you're good.

03:20:36 12 MS. JONES: Second.

03:20:36 13 MR. NOBLETT: All right.

03:20:38 14 CHAIRMAN RODGERS: I've got a motion
03:20:39 15 withdrawn. At this time, is there another motion the
03:20:42 16 board would like to make?

03:20:49 17 MR. NOBLETT: A motion to amend first.

03:20:51 18 CHAIRMAN RODGERS: We need a motion to amend
03:20:52 19 first?

03:20:52 20 MR. NOBLETT: I think that would be better.

03:20:54 21 CHAIRMAN RODGERS: He's withdrawn.

03:20:55 22 MR. NOBLETT: Yes.

03:20:55 23 MR. PARKER: Yes, that's correct.

03:20:57 24 CHAIRMAN RODGERS: Okay. Go ahead, Mr.
03:20:57 25 Parker.

03:20:57 1 MR. PARKER: Do I have a choice?

03:20:57 2 (Laughter.)

03:21:00 3 CHAIRMAN RODGERS: Would you like to amend
03:21:01 4 your motion in some way to adopt the longer resolution,
03:21:07 5 with the whereases?

03:21:08 6 MR. PARKER: So I will make a motion to adopt
03:21:13 7 the whereas, with the change from Mr. Freeman.

03:21:17 8 CHAIRMAN RODGERS: The Section 1 there adding
03:21:19 9 the words "unless approved by City or County, as
03:21:22 10 applicable"?

03:21:22 11 MR. PARKER: I agree to that, yes, as stated.

03:21:22 12 CHAIRMAN RODGER: We've got a motion. Is
03:21:25 13 there a second?

03:21:25 14 MR. ADKINS: Second.

03:21:27 15 CHAIRMAN RODGERS: Okay. We've got a motion
03:21:31 16 on the floor now. Any discussion of that motion?

03:21:35 17 MR. NOBLETT: Motion to amend first, and then
03:21:35 18 motion to approve as amended.

03:21:38 19 CHAIRMAN RODGERS: Okay. We have got a
03:21:40 20 motion to amend on the floor. This is not to approve the
03:21:44 21 policies itself, it's to approve the motion to amend by
03:21:47 22 Mr. Parker. Then we'll vote on a pending motion -- or a
03:21:53 23 to-be-made motion to adopt the policies. So all in favor
03:21:57 24 of the motion to amend by Mr. Parker say aye?

03:21:59 25 (Unanimous response.)

03:22:00 1 CHAIRMAN RODGERS: All opposed?

03:22:00 2 (No response.)

03:22:01 3 CHAIRMAN RODGER: Okay. The ayes have it.

03:22:05 4 We have the approval for the motion to be amended. We
03:22:08 5 need a motion to adopt?

03:22:09 6 MR. NOBLETT: Motion to adopt as amended.

03:22:12 7 CHAIRMAN RODGERS: At this point, the chair
03:22:15 8 will entertain a motion to adopt the resolution as
03:22:18 9 amended. And Mr. Parker....

03:22:22 10 MR. PARKER: I will make the motion to adopt
03:22:24 11 as amended.

03:22:25 12 MR. ADKINS: Second.

03:22:26 13 CHAIRMAN RODGERS: I've got a motion and a
03:22:27 14 second. Any discussion?

03:22:28 15 (No response.)

03:22:29 16 CHAIRMAN RODGERS: Seeing none. All in
03:22:31 17 favor, say aye.

03:22:31 18 (Unanimous response.)

03:22:31 19 CHAIRMAN RODGERS: All opposed?

03:22:33 20 (No response.)

03:22:34 21 CHAIRMAN RODGERS: Okay. The ayes have it.

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

REPORTER'S CERTIFICATE


STATE OF TENNESSEE:
 : SS.
COUNTY OF HAMILTON:

I, Lori A. Roberson, Licensed and Certified Court Reporter, the officer before whom the foregoing INDUSTRIAL DEVELOPMENT BOARD MEETING RE: TAX INCREMENT FINANCING POLICIES AND PROCEDURES RESOLUTION was taken, do hereby certify that the meeting was taken by me in machine shorthand and thereafter reduced to typewriting; that the said meeting is a true record;

That I am neither counsel for, related to, nor employed by any of the parties to this action in which this meeting was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action;

That the said meeting has in no manner been changed or altered since same was given, but that the same has remained in my possession up to the time of delivery.

In witness whereof, I have hereunto set my hand this 1st day of May, 2023.


LORI A. ROBERSON, Licensed Court Reporter #057 and Notary Republic for the State of Tennessee.
Licensure expires: 06/30/2024