



HEALTH, EDUCATIONAL, AND HOUSING FACILITY BOARD

City of Chattanooga, Tennessee MONTHLY MEETING MINUTES

John P. Franklin, Sr. Council Building

J.B. Collins Conference Room

1000 Lindsay Street

Chattanooga, TN 37402

for

Monday, May 19, 2025

12:30 PM

Present Board Members: Richard Johnson (Vice-Chair); Hank Wells (Secretary); Andrea Smith, Brian Erwin; and Kanika Wellington-Jones. Absent were Hicks Armor (Chair); Malcolm Harris; and Tom Hirsch.

Also present were Phillip A. Noblett (Counsel to the Board); Steve Barrett (Husch Blackwell); Erin Martin (Silverdale Academy); John Eaves (Regions Bank); Russ Miller (Bass Berry & Sims); Richard Beeland (Economic Development); Javaid Majid, Weston Porter, and Matt Dale (Finance); Ellen Gent (Times Free-Press); and Shirley Hilt (OCA).

WELCOME NEW BOARD MEMBER

Ms. Kanika Wellington-Jones is a new board member representing District 8 which is Councilwoman Marvene Noel's district. Ms. Jones is ready to dive in, learn, and contribute.

Vice-Chairman Richard Johnson confirmed that the meeting was properly advertised and there is a quorum to conduct business.

MINUTES APROVAL FOR THE MARCH 17, 2025, MONTHLY MEETING

On motion of Mr. Wells, seconded by Mr. Erwin, the March 17, 2025, minutes for the monthly meeting were unanimously approved as written.

PUBLIC COMMENTS

There was no one from the public present with comments.

TEFRA Hearing – Silverdale Baptist Academy
Bond Issuance - \$4,750,000

On motion of Mr. Erwin, seconded by Mr. Wells,

A RESOLUTION AUTHORIZING AND APPROVING ALL DOCUMENTS, INSTRUMENTS, ACTIONS, AND MATTERS NECESSARY OR APPROPRIATE FOR, OR PERTAINING TO, THE ISSUANCE, SALE, AND DELIVERY BY THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE OF ITS EDUCATIONAL FACILITIES REVENUE BONDS (SILVERDALE BAPTIST ACADEMY PROJECT) SERIES 2025, IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED FOUR MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$4,750,000.00). (HEB-2025-07)

Attorney Phil Noblett said that this is a new component that Silverdale will be doing additional construction. There have been loans outstanding on this and will be refinancing approximately \$2.2 million in connection with this matter. There is going to be additional construction. The reason for this meeting at this time is to try to make sure that whenever school ends there can be the start of construction soon thereafter that will be able to be used for this facility as quickly as possible. These are bonds that are proposed to be purchased by Regions Capital Advantage, Inc., which is an affiliate of Regions Bank, and they will hold this as a loan on the books at a bonding rate that this board can offer as the HEB.

Mr. Russ Miller is bond counsel for the applicant. This is a tax exempt bond issue for Silverdale Baptist Academy. They are a 501(c)(3) entity and affiliated with Silverdale Baptist Church but are a separate 501(c)(3) entity. There are two components to this financing. One is for new construction on the campus, mostly related to their athletic facility, and the second is refinancing construction of the Silverdale Center on the campus, which is a pretty large, multi-purpose facility that they are occupying now. That financing was done from a traditional commercial loan. They are now refinancing that through the HEB on a tax exempt basis to get a lower rate. Both of these are short term loans with five (5) year maturities. The Regions Bank and Silverdale Baptist representatives are present.

Regions is going to purchase these bonds to hold for their own account. They are not distributing them. They are tax exempt like most of the deals that the HEB does. There is no recourse to this board and no recourse to the City. Regions is looking solely at the school for repayment.

Attorney Noblett said that this is a TEFRA hearing that has been noticed in the paper more than seven (7) days in advance of this meeting. It is a public hearing for anyone that has any questions regarding this issuance of bonds. There was no one from the public present to speak about this bond issuance.

Mr. Brian Erwin had a question about how quickly that it is intended to have the financing approved. Mr. Miller said that if the Board approves it today, the hope is to close by the end of this month or early June. They want to get construction started to have everything ready to go by the time school opens.

Ms. Erin Martin said that it is a multi-purpose athletic facility. We will start with the football and soccer fields which are also the community field. That is the one that we use most often for community outreach. Ms. Andrea Smith asked if that facility will be able to be used by the community as well or is it solely for a school's purpose? Mr. Miller said that for tax exempt bond purposes it has to be used primarily by a 501(c)(3) entity that is getting the benefit of the financing. Primarily, it has to be used by the school. Ms. Martin said that is the primary use. They are a K-12 school and all of the grades use that. It is a multi-purpose field. Part of their mission statement is outreach into the community. They will host summer camps. It is a platform for our kids to serve the community like football camps, baseball camps, and things that the community can use the facility as well. Their school hosts it.

Vice-Chairman Johnson said that this sounds similar to like the Brainerd BX which is through Brainerd Baptist Church and Brainerd Baptist School. Ms. Martin is not sure how their non-profits are set up. After further discussion, the facility is open to the community.

Attorney Noblett said that this board has also issued bonds for the folks at Baylor, McCallie, and GPS under similar grounds.

After further discussion, the motion carried.

ADOPTED

OTHER BUSINESS-DISCUSSION

FYI - IRS Tax Exempt Compliance – Patten Towers Apartments Project.

Attorney Noblett said that we should probably report this to the Board that the HEB is in line with the Internal Revenue Service. They have received some information from us and given us the aspect of closing a compliance response based upon the information we provided them. The HEB is not currently under review by the IRS and at any time that occurs we would like to let the Board know.



After further discussion, a motion to adjourn the meeting was made by Mr. Erwin, seconded by Ms. Smith, and the meeting adjourned at 12:45 PM.

Respectfully submitted,

Hank Wells, *Secretary*

APPROVED:

Hicks Armor, *Chair*