



**INDUSTRIAL DEVELOPMENT BOARD  
MONTHLY MEETING MINUTES**

**John P. Franklin Sr. City Council Building  
Assembly Room  
Chattanooga, Tennessee  
for  
Monday, October 7, 2024  
11:00 AM**

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

Also Present were: Attorney for the Board, Phillip A. Noblett; Jermaine Freeman (Chief of Staff); Charita Allen (ECD); Gail Hart (Real Property); Justin Steinmann and Mark Heinzer (Wastewater); Eleanor Liu, Javaid Majid, and Fredia Forshee (Finance); Mike Pare (Times-Free Press); Clay Oliver (Public Works); Richard Beeland (ECD); and Sarah Mattson.



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



**SPECIAL MONTHLY MEETING OF AUGUST 26, 2024 – MINUTES APPROVAL**

On motion of Mr. Adkins, seconded by Mr. Floyd, the minutes of the August 26, 2024, special monthly meeting were unanimously approved.



**MOMENT OF SILENCE**  
**TO REMEMBER THE LIFE OF**  
**SYLVESTER HARRIS**

Mr. Sylvester Harris passed away a week ago and did some work on the South Broad TIF Project. He was a tremendous man and leader in our community who did a lot for economic and workforce development and in particular the Chattanooga neighborhood.

**PUBLIC COMMENTS**

No one from the public had comments.

**VOLKSWAGEN PROJECT**

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

**A RESOLUTION AUTHORIZING THE PURCHASE OF AN H200NE-W155 COMPRESSOR FROM INGERSOLL RAND INDUSTRIAL, U.S., INC. FOR REPLACEMENT OF AN EXISTING COMPRESSOR, IN THE AMOUNT OF TWO HUNDRED THIRTY-SIX THOUSAND NINE HUNDRED FIFTY AND 36/100 DOLLARS (\$236,950.36), WITH AN ALLOWANCE FOR INSTALLATION OF ONE HUNDRED THOUSAND DOLLARS (\$100,000.00), FOR AN AMOUNT NOT TO EXCEED THREE HUNDRED THIRTY-SIX THOUSAND NINE HUNDRED FIFTY AND 36/100 DOLLARS (\$336,950.36).**

Mr. Clay Oliver with the Department of Public Works spoke. It is a very large air compressor that helps run the paint job. It runs in series with a couple of other air compressors. They have a total of six. This is one of their service protection air compressors that keeps forwarding the others with air. We would like to propose a floor amendment. As we have been going back and forth with manufacturers, we believe the installation cost will be close to \$100,000.00. That would raise it to \$336,950.36.

Ms. Kain asked if it was possible to fix the one that is there now. Mr. Oliver said it is not. It is about 14 years old. They do not make them anymore. We have chosen Ingersoll Rand which is attached to the documentation for the resolution request is actually a sole source justification letter. We talked back and forth with them and the other five compressors are also with Ingersoll Rand. They are designed to talk to each other which another manufacturer would have to use software and things to get them to work together. Ingersoll Rand's compressors do work with their old compressors.

Ms. Kain asked what was the significant reason for that additional labor installation cost? Mr. Oliver said as they were going through it, he was thinking it was about the size of a 10 ton HVAC unit. But it generates additional heat because of the compression so there is some clearance that has to be made with the other compressors where we have to move to another one and a significant amount of electrical work.

Attorney Noblett confirmed that this is the VW project. Mr. Oliver said that these funds are expected to come from the leftover funds that Ms. Liu is going to talk about for MOU1 and MOU2. Half of the money will be coming from the City and half from the County. The money will be reimbursed at one half each. The project itself is in the name of the IDB, which is the reason they are coming to the Board.

Ms. Eleanor Liu says we do have some remaining funds left from the special funds and second MOU.

The motion carried.

**ADOPTED**

**VOLKSWAGEN FUNDING PROGRESS SUMMARY,**  
**ECONOMIC DEVELOPMENT PROGRAMS SUMMARY,**  
**TAX INCREMENT FINANCING (TIF) SUMMARY, AND**  
**E2I2 PROGRAM SUMMARY**

Ms. Liu from Finance Department went over the report summaries.

1. VW Grant – from the first MOU there is a remaining balance of \$53,000 approximately leftover and unspent. From the second MOU, there is approximately \$451,000 left. The third MOU there is a remaining \$5 million between the County and City not spent. In total, we do have sufficient money to cover the compressor. From all of the grants received, the first, second, and third MOU we have spent encumbered, and contingency are at 98% approximately.
2. Economic Development Programs – this report summarizes seven programs. In whole we have about \$3.7 million. Each fund has its own intended purposes to spend. (inaudible)
3. TIF summary – we are only receiving payment on three TIFs which are Black Creek, M.L. King, and East Chattanooga Rising. In total cash on hand is \$112,000. The cash comes from the admin fee that we collect. The rest of the tax payments most get sent over to the developer. The IDB does not keep any money.
4. E2i2 Program – from the last board meeting the resolution approved the project cost increase. (inaudible) The project budget is \$153,087,868 and was approved in the last board meeting. The total right now spent is \$4.8 million. There is \$336,439 that have not seen reimbursement.

**e2i2 PROJECT**

On motion of Ms. Jones, seconded by Ms. Kain,

**A RESOLUTION AUTHORIZING THE INDUSTRIAL DEVELOPMENT BOARD CHAIR OR VICE-CHAIR TO EXECUTE AN EXTENSION DEPOSIT AGREEMENT WITH TENNESSEE-AMERICAN WATER COMPANY, IN SUBSTANTIALLY THE FORM ATTACHED, FOR THE INSTALLATION OF APPROXIMATELY 1,520 LINEAR FEET OF SIX (6") INCH WATER MAIN AND TWO PUBLIC FIRE HYDRANTS FOR THE ST. STEPHENS WATER MAIN EXTENSION, FOR THE E2I2 PROJECT, FOR A COST NOT TO EXCEED ONE HUNDRED FORTY-TWO THOUSAND NINE HUNDRED FOURTEEN DOLLARS (\$142,914.00).**

Mr. Justin Steinmann from the Wastewater Department spoke. This first resolution is authorizing the execution of an extension of the Deposit Agreement with TAWC. That is required for the Lee Hwy. site for e2i2. Since the IDB are the permanent owners of the design build project, any expenditure that is not part of the contract has to be individually approved by the Board.

Regarding the License Agreement, there are two different access points for the project because it does not have direct road access. This is the primary construction access which is on I-24. The License Agreement is between the State, the City, and the IDB. City Council has approved this, and we are bringing this to the Board for approval.

The final resolution is that retainage is required for any capital project. We want to ensure that the retainage documents for e2i2 clarify that the IDB Chair or Vice-Chair has authority to execute those and that the City CFO, Deputy CFO, and Budget Officer also have the ability to execute those. This is consistent with all of the City's other capital projects. Now that we are going to construction, we will start withholding retainage. We have not had to do it yet but this would apply for this project and would anticipate that we would bring something similar in a year or more when Class A Power is in construction.

Attorney Noblett asked if the State has already signed off on the access easement? They were waiting for us to approve all of the language. Mr. Richard Beeland will be signing off on behalf of the City as the Real Property aspect.

The motion carried.

**ADOPTED**

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

**A RESOLUTION AUTHORIZING THE INDUSTRIAL DEVELOPMENT BOARD CHAIR OR VICE-CHAIR TO EXECUTE A LICENSE AGREEMENT WITH THE STATE OF TENNESSEE, ACTING BY AND THROUGH ITS COMMISSIONER OF TRANSPORTATION, AND THE CITY OF CHATTANOOGA, IN SUBSTANTIALLY THE FORM ATTACHED, FOR A TEMPORARY FORTY (40') FOOT LOCKED GATE OPENING IN THE STATE'S CONTROLLED ACCESS FENCE AT MILE MARKER 1.569 ADJACENT TO I-75N, WITH A TERM THAT WILL AUTOMATICALLY TERMINATE UPON COMPLETION OF THE E2I2 CONSTRUCTION PROJECT, WITH THIS BEING AT AN ANNUAL FEE OF ZERO DOLLARS (\$0).**

The motion carried.

**ADOPTED**

On motion of Ms. Jones, seconded by Ms. Kain,

**A RESOLUTION AUTHORIZING THE INDUSTRIAL DEVELOPMENT BOARD CHAIR OR VICE-CHAIR, THE CITY OF CHATTANOOGA CHIEF FINANCIAL OFFICER, DEPUTY CHIEF FINANCIAL OFFICER, AND BUDGET OFFICER TO EXECUTE ALL DOCUMENTS RELATING TO CAPITAL PROJECT RETAINAGE FOR THE E2I2 CAPITAL PROJECT AND FUTURE WASTEWATER CAPITAL PROJECTS PROCURED THROUGH THE INDUSTRIAL DEVELOPMENT BOARD, AND ON BEHALF OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA.**

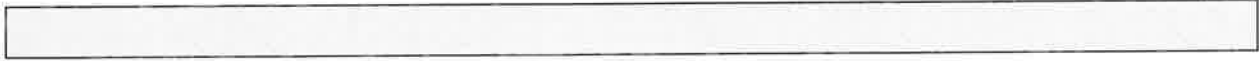
The motion carried.

**ADOPTED**

**OTHER BUSINESS – DISCUSSION ITEMS**

Chairman Hayes noted that he was really happy to see about the renovation of the Walnut Street Bridge starting next March. He is thrilled about that because he uses it every day. The re-design of Frazier Avenue is beginning to commence at the end of this month, and Chairman Hayes did not know if there was mitigation funding for these businesses.

Ms. Sarah Mattson said they are doing mitigation grants for the Walnut Street Bridge renovation, but it is the City's policy that we are not doing mitigation grants for projects less than ninety (90) days. Likely not for the street. Support small businesses.



After further discussion, a motion was made by Ms. Jones, seconded by Mr. Floyd, and there being no further business, the meeting adjourned at 11:15 AM.

  
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GORDON PARKER, *Secretary*

APPROVED:  
  
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ALTHEA JONES, *Vice-Chair*