

AMENDED AGENDA
MONTHLY MEETING OF THE BOARD OF DIRECTORS
OF THE
INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF CHATTANOOGA, TENNESSEE

February 7, 2022

1. Call meeting to order.
2. Confirmation of Meeting Advertisement and Quorum Present.
3. Minutes Approval – December 6, 2021, Monthly Meeting.
4. Recognition of any person wishing to address the Board.
5. Volkswagen Finance Report.
6. A RESOLUTION AUTHORIZING THE CHAIR OR VICE CHAIR OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH THE CITY OF CHATTANOOGA FOR THE DESIGN AND CONSTRUCTION OF WET WEATHER EQUALIZATION STATIONS, ESTIMATED TO COST ONE HUNDRED TWENTY-FIVE MILLION DOLLARS (\$125,000,000.00), AS PART OF THE ENVIRONMENTAL AND ECONOMIC INFRASTRUCTURE IMPROVEMENT PROJECT (E2I2), A JOINT PROJECT BETWEEN THE CITY OF CHATTANOOGA AND THE HAMILTON COUNTY WATER AND WASTEWATER AUTHORITY, TO REDUCE OR ELIMINATE CHRONIC SANITARY SEWER OVERFLOWS IN THE REGIONAL SANITARY SEWER COLLECTION SYSTEM AT WEST CHICKAMAUGA (HWY I-75, CHATTANOOGA, TN, 37421), SOUTH LEE HWY (7148 LEE HWY, CHATTANOOGA, TN, 37421), AND PINEVILLE (HUDSON ROAD, CHATTANOOGA, TN, 37405) AND TO PREVENT MORATORIUMS ON SANITARY SEWER CONNECTIONS UNDER THE CITY OF CHATTANOOGA'S CONSENT DECREE.
7. A RESOLUTION AUTHORIZING THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA TO REIMBURSE THE CITY OF CHATTANOOGA USING TIF LOAN FUNDS FOR EXPENDITURES RELATED TO THE EAST CHATTANOOGA RISING TIF DISTRICT FOR EXPENDITURES OF SIXTY THOUSAND FOUR HUNDRED SIXTY-THREE AND 25/100 DOLLARS (\$60,463.25) FOR ASA ENGINEERING FOR DESIGN AND SURVEY RELATED TO THE HARDY STREET EXTENSION AND ELEVEN THOUSAND TWO HUNDRED DOLLARS (\$11,200.00) TO CHATTANOOGA DESIGN STUDIO FOR ANALYSIS OF EXISTING MARKET CONDITIONS RELATED TO CERTAIN PARCELS AT

THE FORMER HARRIET TUBMAN SITE, FOR THE TOTAL AMOUNT OF SEVENTY-ONE THOUSAND SIX HUNDRED SIXTY-THREE AND 25/100 DOLLARS (\$71,663.25).

8. Bond Presentation by Attorney Phil Noblett.
9. Other Business – Counsel to discuss Notice of Non-Payment.
10. Adjournment.



**INDUSTRIAL DEVELOPMENT BOARD
MONTHLY MEETING MINUTES
John P. Franklin Sr. City Council Building
Chattanooga, Tennessee
for
December 6, 2021
11:00 AM**

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

Also present were: Phillip A. Noblett (Counsel for the Board); Jermaine Freeman (Economic Development); Brooke Satterfield (City); Gail Hart (Real Property); Eleanor Liu (Finance); Jason Payne (Public Works Engineering); Adam Shearer (Steam Logistics); Charles Wood (Chattanooga Chamber of Commerce); Mark Smith (Miller & Martin); Chuck Fisher; and John Wilson (The Chattanooga).

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



MEETING OF OCTOBER 4, 2021 – AMENDED MINUTES APPROVAL

The October 4, 2021, amended minutes were presented for approval showing that Kathy Jones was present at the meeting, and the prior minutes were passed as reflecting Ms. Jones was absent. The current amended minutes are reflecting that Kathy Jones was present. On motion of Mr. Adkins, seconded by Mr. Sharpley, the amended minutes of the October 4, 2021, meeting were unanimously approved.



MEETING OF NOVEMBER 1, 2021 - MINUTES APPROVAL

On motion of Mr. Adkins, seconded by Mr. Parker, the minutes of the November 1, 2021, meeting were unanimously approved.



There was no one present wishing to address the Board.

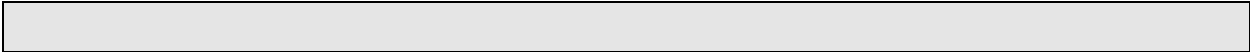
CHAIRMAN’S REPORT UPDATES

- (1) Board Member, Kathy Jones, has had to resign due to other obligations. Her spot will be filled by Councilwoman Carol Berz. We do not have a replacement at this time. We are down to eight board members.
- (2) Mr. Rodgers stated that he has been in contact with Mr. Noblett and is looking at some things the Board could try as an Industrial Development Board to improve transparency for the Board. Mr. Rodgers has been looking at some sister cities – Memphis, Chattanooga, Knoxville, and what they do. Mr. Rodgers is especially impressed with Knoxville as far as the information. Mr. Sharpley commented. The information available is a map which shows where the TIFs have been awarded, and the PILOTs that have been awarded, and where they are in different parts of the City. The other thing that Mr. Noblett pointed out is that the Knoxville IDB actually has a website that is separate from the City of Knoxville.
- (3) Mr. Noblett has informed the Board that the City of Chattanooga IDB is a public corporation technically distinct from the City of Chattanooga, and therefore, in a lot of ways, it makes sense for us to have a separate website. That is something the Board is looking into because there are a lot of things that can be done especially if you look at these other cities in the state, what they have done, and the information they present. Some are better than others. The City of Chattanooga has a lot of room for improvement. One of the rooms for improvement would be an updated version of the Bylaws. The Bylaws are not signed, not dated, and nothing that looks official. The Board is going to try to see if we can update the Bylaws for the website and possibly getting the Board’s own website if not at least making some major improvements to what is there.
- (4) Another thing that in 2017, there was a resolution that Mr. Noblett brought to his attention as far as fees for bond applications. It was resolved that there would be a fee policy that was to be put in place and does not know if that has ever been implemented. Mr. Noblett stated the folks for Community Development will have to give information on that. It used to be Economic and Community Development. Mr. Rodgers stated that he does not think we have a fee policy for TIFs and PILOTs. That is certainly something that we will keep on the radar and look at as well. Our sister cities, at least some, do have fees and quite a bit higher fees than the City of Chattanooga. Those are things that we can look at, and not that it needs to be a revenue generating fee, but it certainly can off-set a lot of the substantive costs that behind the scenes we have.
- (5) As far as the PILOT agreement itself, we are going to hear about the Steam Logistics PILOT. There was discussion about construction jobs and concerns that at least some of the Board has as far as the construction jobs that go into these projects the Board is evaluating. We are going to be looking at what we can do to get that addressed on the front

end so there is more acknowledgement and more attention given to not only just for more permanent jobs that go ultimately in these facilities, whether it is The Bend or Steam Logistics for which we are highly grateful, but at the same time, send the message that those construction jobs that improve the property or builds the property, also get attention.

- (6) Back in mid-November, the paper talked about a facility in Wyoming being built, a smaller version of a nuclear facility in Wyoming by a private company. It talks about the project employing as many as 2,000 people during construction and 250 once operational. The article did not say what the value of that project was, but the key thing that really jumped out that here is our local paper talking about a job in Wyoming and can tell us how many construction jobs and more permanent jobs. Yet, we cannot get the same information for Steam Logistics or for The Bend, as-is. Mr. Rodgers is not being critical or intended to be about Steam Logistics. Mr. Rodgers is simply grateful that we have the Steam Logistics issue that brought this to the Board. We can take it and tweak some things about the process.

Mr. Parker stated that he did notice in the resolution that there was a specific numbered item that outlined that there would be due diligence in attempting to hire local construction through the process and developing a local pipeline. At least we are seeing it started in paper and it is written that they are making due diligence on that forefront.



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

A RESOLUTION AUTHORIZING THE CHAIR OR VICE-CHAIR OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA TO EXECUTE ANY DOCUMENTS ASSOCIATED WITH TAX MAP PARCEL NO. 130.001.39 TO INCLUDE A PORTION OF SUCH PROPERTY AS THE SIXTH AMENDMENT TO THE LEASE AGREEMENT BETWEEN VOLKSWAGEN AND THE INDUSTRIAL DEVELOPMENT BOARD. **(VW(CB)73)**

Mr. Jason Payne spoke on this resolution. This piece of property was originally in the option property to Volkswagen and has the option of 30 years from 2008 to request this additional property to gain access, ingress, and egress for utilities for the new R&D facility. This resolution is similar to many other resolutions related to Volkswagen. Mr. Noblett stated the entire property initially was owned by the City and County. There was a portion that Volkswagen had an opportunity to be able to acquire. This property is a triangular section right next to the Volkswagen property. This parcel is owned by the City and the County who have authorized that transfer to occur. It is owned by the IDB now.

After further discussion, the resolution was unanimously adopted.



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

A RESOLUTION AUTHORIZING THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA TO TAKE TITLE TO CERTAIN REAL AND PERSONAL PROPERTY IN CONNECTION WITH THE STEAM LOGISTICS PROJECT, TO LEASE SUCH PROPERTY TO STEAM LOGISTICS, LLC AND TO 329 MARKET, LLC AND TO ENTER INTO AN AGREEMENT FOR PAYMENTS IN LIEU OF AD VALOREM TAXES.

Mr. Jermaine Freeman gave a presentation to the Board. This project was brought to the Board last month regarding the expansion of Steam Logistics into the John Ross Building to create a national headquarters. The City Council and County Commission have approved the PILOT for Steam Logistics.

Mr. Charles Wood stated that this is a substantial project and certainly the largest job creation project in downtown. Steam Logistics, 350 employees, Chattanooga-based company that are freight brokerage which means they operate like a stock brokerage entity, but instead of moving stocks, they are coordinating as a middle-man freight between different parties. This project would have 400 new employees to a site downtown, average wages are about \$56,000 a year, a little over \$11 million in capital investment for the project, and a 60,000 sq. ft. redevelopment of the existing John Ross Building.

This is a nine-year PILOT term with a five-year hiring timeline. It will be entered into between the City, County, Steam Logistics, and the developer building owner, 329 Market LLC. This is a tax phase-in. The current value of the property will continue to be paid as have been the last several years. The first year of the abatement of the project will be 100% of new property taxes, which does not include school taxes. The value of the incentive gradually declines over time. The first year it is 100%, second year is 75%, third year is 60%, and it drops to 50% for the remaining years of the PILOT agreement. There is a revenue stream that begins at the beginning of this process.

The PILOT Agreement only determines percentages of the abatement. The developer nor the City controls what the actual tax valuation of the property. That is done by the Assessor's Office. Percentages versus dollars. There are clawbacks in place for non-compliance which has become a standard process. Valuation determined based upon the estimated investment for the project, the City's incentive portion is about \$502,000. The total economic impact is \$114 million. The new salary revenue is a big part of the economic impact. That money gets spent over again into the community. This project is relatively small compared to companies like Gestamp who are investing more than \$100 million in new capital. This is an office project. The biggest impact is around salaries.

New fees paid to the City during the period of the PILOT are \$126,000, and new property taxes paid to the City during the PILOT are \$339,000. Right now, this project generates \$29,353 a year for the City. The current property tax is being paid. That will continue through the life of the PILOT and will happen whether this project happens or not. This project, even with the PILOT, generates a substantial amount of revenue each year. This is new property tax revenue generated from the project. It does not generate new property tax in year one, but does in year two. It evens out through year nine at \$45,000 per year in new property taxes to the City.

There is an economic development fee with each PILOT. There is a fee with every PILOT Agreement we have done which is quite substantial. It is a percentage of the abated property taxes, which is 12%. That fee is used by the City and the IDB for other economic development projects. One of the key uses of that fee or those funds is around small business incentives. Small businesses are not going to have enough capital investment for it to be vital for PILOT agreement which is the traditional economic development incentive for the City. This creates a revenue screen for other economic projects that might be small business grants. In 2015, there was a flat amount.

Mr. Woods stated that for almost every agreement except for the Volkswagen agreement, that fee is 12% for the City and 15% for the County. That has been standard now about the last five years. Volkswagen was a flat fee per year. Typically, every PILOT Agreement or Consent Agreement negotiated is worked with the City and County Mayors as part of the process for term and what the consent package looks like.

Year ten after the PILOT expires, the fee goes away, but basically, we see an increase of \$90,000 a year in new property tax value. One of the things that gets confused with PILOT projects, is thinking that cash leaving a City or County budget and going to a company which the reality is that this is just a tax phase-in. The company's property tax payments effectively are being phased in over time to reach that full 100%.

The City and County always end up with a positive economic impact. If you do nothing, you get no new revenue. This project is viewed as a strategic opportunity which is important for this Board to understand. The first is freight tech and white-collar aspect of logistics spectrum is a target industry. They went through a strategic planning process with a significant amount of public input to help work through targeted industry sectors. The logistics and freight tech sector is a key target. There is a relatively low barrier entry for the jobs as far as skill sets go, but there is a higher wage. That couples with the fact that we have a cluster of companies already that allows us to build off of that. It is a target industry for us and certainly the largest job announcement since Volkswagen's expansion in 2019 which puts jobs downtown and redevelops what is very much a blighted building. It has been vacant for decades.

This building used to be a car dealership a long time ago and has been bricked in and closed off and sat vacant now for more than a decade. A picture was shown of what it will look like in the same location. This will have a massive impact on that corner of 4th and Market Streets.

There is a commitment and good faith efforts related to recruiting local employees, to utilize local contractors, and working with area workforce development partners to develop a talent pipeline for the project. The company has recently met with Mr. Freeman and UTC. There are some other diverse pipelines as well.

Mr. Adkins asked if the 350 people will be working in this building. Mr. Woods stated yes, there has been some discussion – the company is in the adjacent building and there has been discussion inside the company as to whether they keep that space that they are currently in as well as the John Ross Building. Mr. Woods does not know the answer to military preference.

Mr. Adam Shearer (CFO from Steam Logistics) stated that they love hiring military Veterans. They do not have a stated preference for it but work their best to hire people of all backgrounds, especially Veterans.

Mr. Freeman stated that the fee schedule is reversed. The City's fees are 15% for the economic development lease payments, and the County's fees are 12.53%, if he is not mistaken. These fees are used to fund the small business programs.

Process given by Jermaine Freeman:

Steam Logistics submitted an application for incentives to the State of Tennessee's Department of Economic and Community Development (TDECD). The Chamber evaluated that request and made a recommendation to support the PILOT and determined that it met the but-for test. Steam Logistics has the opportunity to expand in other offices that they own - most in Birmingham and Minneapolis. We always want to be aggressive in creating jobs in Chattanooga. We have no interest in seeing more jobs created in Birmingham or Minneapolis. The Chamber recommended in favor of this project. Both Mayors Kelly and Coppinger support the PILOT. We had a public session of the IDB last month on Monday, November 1st to describe what this project is and to educate the community. There was no stated public opposition. We shared the minutes from the public information session with the City Council. That was a new step in our PILOT process. As we formalize our PILOT process going forward, that is a step that we want to keep. It makes the process more transparent and open to the public. It also gives the Board more information about the project to learn a full month before taking a vote, and the project has a chance to work through the governmental bodies through the City Council and County Commission.

The PILOT Agreement was approved by the City Council on Tuesday, November 16th and was then approved by the Hamilton County Commission on Wednesday, November 17th. The purpose of today's meeting is for the IDB to consider the lease agreements for Steam Logistics LLC and 329 Market LLC. The Lease Agreement for Steam Logistics will be for the personal property in the building, and the Lease Agreement for 329 Market LLC will be for the building itself. They will be the entities that will own the building and actually make the improvements to the building. They will pass those costs down through Steam Logistics in the form of a triple lease.

This property will require some environmental remediation as it is Brownfield. The John Ross Building used to store cars. Cars often times leave behind substances that can be an environmental hazard. 329 Market LLC under the Lease Agreement will be required to comply with Tennessee Department of Environment and Conservation (TDEC) to remediate the property.

This will also require the IDB to be a party to a Brownfield Voluntary Agreement Program to provide indemnification to the IDB for the time period that the property is being remediated and to make sure that as 329 Market LLC is remediating the property, that there is no liability to the IDB whatsoever. Those terms are spelled out in the Lease Agreement and Attorney Noblett can provide more information.

This is an exciting project. It provides overall \$114-115 million economic impact that creates a national headquarters in our downtown Chattanooga. There will be an abatement period of about nine years. The company will pay all school taxes and stormwater fees. None of the school taxes or stormwater fees will be abated. This is an exciting project because it gives us an opportunity to reactivate a building that has long been vacant and abandoned in the heart of our downtown.

This is a traditional PILOT structure in terms of the PILOT payment schedule, but the City collects a fee that is equivalent to 15% of what the property taxes would have been had there not been a PILOT. That is the economic development lease payment fee, and the County collects 12.53%.

Questions from the Board:

Mr. Rodgers asked that the 15% and 12.53%, those are paid only if the PILOT is ultimately approved? Mr. Freeman said that is correct. What about the PILOTs that do not get approved or have decided not to pursue? Is there a fee paid at that point? Mr. Freeman stated not to his knowledge. There is no application fee for a PILOT. The City Council adopted an ordinance that includes a \$1,500 application fee for TIFs, which is nowhere near high enough given the number of hours that you spend talking to attorneys and consultants when dealing with PILOTs which probably needs to be revisited. These economic development lease payments are only fees for doing a PILOT for each year that the PILOT is in effect.

The updated Lease Agreement included a provision that requires the IDB also to be named as a co-insured on the insurance for 329 Market as they begin to work on this project. That was something that our attorneys asked for because this is now going to be entered into the Brownfield Voluntary Agreement Program. Mr. Noblett stated that this was additional protection provided for the Board because there are requirements that the State of Tennessee through TDEC is going to require for this project to be done. During the term of a PILOT, the IDB will be the owner of the property. We wanted to have assurances that the Board would be protected from any liability. We have also provided a provision for insurance in the event there is a loss during the time of this which it would be protecting and naming the IDB as well as an additional party. There is a Brownfield agreement and the IDB will be the owner for the first nine years of the project and wanted to make sure there was protection offered to this body.

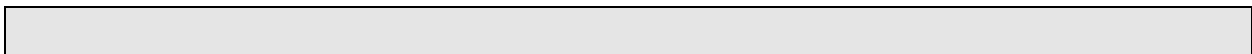
Mr. Rodgers questioned the party “Noon Management”, and who are they? Mr. Freeman stated that 329 Market LLC is the landlord who is a company that is made up of members of both new management and Steam Logistics. Those two parties have gotten together to form a new company that will be solely responsible for owning and improving the building. Mr. Rodgers asked why is it we are not asking Noon Management to sign the Lease Agreement as well as the other? Mr. Freeman stated that they are not the legal owner of the property. 329 Market LLC would be the legal owner of the property. They are not leasing the property from 329 Market LLC. Steam Logistics is leasing the property. Is Noon Management obligated in any manner to pursue the good faith efforts described regarding local employees and local contractors, is there anything to obligate Noon Management? Mr. Freeman stated no, because they are a separate company that is unrelated to this project. Although they are representatives from both companies, there are representatives from Noon Management that will be part of 329 Market LLC. 329 Market LLC is a completely separate LLC. That is Mr. Rodgers’ concern going forward.

Ms. Jones asked for the description of Noon Management again. Mr. Freeman stated that they are two separate companies. Representatives from Noon Management that are part of the ownership group of 329 Market LLC, but you also have representatives from Steam Logistics that are part of the ownership of 329 Market LLC. The building will be owned by 329 Market LLC. That is who the IDB will be entering into the Lease Agreement with because that is who owns the building.

Mr. Rodgers is still confused. How are they on the documents? What relevance do they have for the IDB? Ms. Jones also has that question. Mr. Freeman stated there are no relevance except to mention that there were people who – there was some question about who exactly is 329 Market LLC. In our efforts to be more transparent to tell the Board who that was, the ownership of 329 Market LLC is made up of folks from Noon Management and Steam Logistics. That is the only purpose. Mr. Parker stated that 329 Market LLC owns the building, Steam Logistics will lease it from 329 Market LLC? Mr. Freeman said yes. 329 Market LLC has an option to purchase the building, and once they purchase the building, they will enter into a lease with Steam Logistics. Mr. Rodgers asked who is overseeing the contractors and subcontractors that are improving this building-property? Mr. Freeman said 329 Market LLC. Mr. Freeman stated that Mr. Chuck Fisher can answer any questions.

Mr. Rodgers has advised Mr. Noblett that he knows at least two minority owners in Steam Logistics and is going to recuse himself from voting for that reason. Mr. Rodgers discussed with Mr. Noblett that they are long-time friends, truly no issue connection to this, Mr. Rodgers does not even know if they know he is on the IDB but still thinks the proper thing to do would be for him to let that be known and recuse himself. Mr. Rodgers will oversee if there is a motion to entertain this resolution to be approved, he will entertain that motion.

After further discussion, the resolution was adopted by five board members, and one recusal by Mr. Rodgers.



TAX INCREMENT FINANCING (TIF)
EDUCATIONAL PRESENTATION
By Jermaine Freeman

Background:

The State of Tennessee authorizes the use of TIFs in four different statutes. It is approved for industrial development boards, housing authorities, redevelopment organizations, and community redevelopment organizations. That only applies to Shelby County, Tennessee.

The idea behind TIFs is that TIFs would create sort of a future revenue stream that will allow municipalities and counties to spur economic development or the development of housing using a new tool in the toolbox. (Mr. Floyd left the room at this point). When housing authorities are typically using this tool, they are typically doing it to sort of remove blight, remove dilapidated buildings, and overall improve the quality of a neighborhood or community. When industrial development boards are using this tool, they are primarily using the tool to spur sort of a specific economic development project, including the creation of an industrial park.

When you read the legislation, it really speaks to the industrial park characteristic in the legislation, however, over time TIFs have also been used to spur other types of economic development projects that align with what the community is looking for. (Mr. Floyd returned to the room at this point). It does not have to be an industrial park. It could be one company creating some sort of a manufacturing facility, some communities use TIFs to create malls. What different communities deem as a catalytic economic development project will look different depending upon the community. A community of 15,000 people is not going to necessarily see the same benefit from the same types of projects as a community with 180,000 people like Chattanooga. The statute provides a broad latitude for industrial development boards to determine sort of what is an eligible TIF project.

From the Comptroller's office, a TIF is a powerful new tool to reduce blight and promote economic development and build affordable housing. (Mr. Floyd returned to the room at this point). TIFs create up-front capital for development by borrowing against future property tax revenue that could then be used to finance the cost of public and private improvements. The way to think about that is that a TIF is not designed to subsidize the entire cost of a project. TIFs are typically designed to subsidize the public infrastructure improvements that need to be done as part of the project. If you think about our larger economic development projects, we will give examples, but where the company is looking for help with public infrastructure, whether the roads, sidewalks, utilities, hard spacing, green space, those are some of the typical, eligible uses that we see for TIFs.

How does it work? An example would be to let's say you have a dilapidated building on a parcel that currently generates \$30,000 per year of property tax revenue, and the proposed new office building to be built on the same parcel will eventually generate \$70,000 in property tax revenue. The increased value of the property taxes, which we call the increment, would be \$40,000 which when multiplied over a set period of time and does not have to be ten years (ten years is an example) that would come out to be about \$400,000. What a potential developer can do is sort of

use that future revenue stream, that estimated impact, to sort of borrow against that money in order to be able to finance the public infrastructure. Typically, what will happen is that a developer will either secure a bank loan or get bonds from the Industrial Development Board or have capital by investors and use the TIF as a way to recoup some of those costs for the infrastructure and improvements over time. It is important to note that when you are dealing with the TIF, TIF proceeds are only forecast. What you are doing is predicting what the future value of property taxes will be. In the event that those future property tax revenues do not reach what you have predicted it to be, you only have whatever increment you have to work with. It is not a guarantee. It is based upon what actually comes in to the City and County.

A graphic was presented by Mr. Charles Wood with the Chamber, to illustrate how a TIF works. You freeze the base property taxes on a specific project or parcel or set of parcels, and everything that is over and above that base property tax in terms of the value from the development goes into a bucket where the IDB has the ability to control which is called TIF funds. The IDB is able to reimburse the developer as the developer is making improvements.

TIFs were approved at the state level. However, in 2015, the City of Chattanooga also adopted its own local TIF policies. We have our own law that governs how TIFs work and under the Chattanooga ordinance adopted in 2015 specifically applies to industrial development board projects. It does not apply to projects that are initiated by the Chattanooga Housing Authority. The Chattanooga Housing Authority does have that authority under the state's TIF statute. The policies adopted by the City Council in 2015 really apply directly to IDB economic development projects.

The City of Chattanooga has the option to follow whatever guidelines it deems necessary. If we decide to initiate a TIF application on behalf of the City, which we have done before, if there is a TIF initiated by the Chattanooga Housing Authority, the City has the ability to follow whatever policies or procedures it deems necessary.

Under local guidelines, under the local ordinance, the primary purpose for TIFs is for public infrastructure. If you think about what is public domain, sidewalks, traffic lights, roads, utility improvements, parks, easements, sewers, stormwater maintenance, are all things that fall under the use of public infrastructure. Under the TIF guidelines, the total project has to be at least \$5 million and at least \$1 million in public infrastructure in order for an application for a TIF to even be eligible for consideration.

Application Process:

A company, developer or organization will submit an application to the IDB. Economic Development staff will review that application on behalf of the Board. The application is then brought before the IDB. The IDB will then pass a resolution of intent accepting the application as complete if you feel that the application is complete. That will refer the resolution over to City Council for consideration. If the City Council is interested in moving forward with evaluating whether or not a TIF is warranted, the City Council will pass a resolution of intent for the creation of what is called and Economic Impact Plan.

The guideline for how you create a structure of an Economic Impact Plan is spelled out under Tennessee State law and Tennessee Code Annotated. Once the City Council passes that resolution of intent, the applicant then submits an Economic Impact Plan to the IDB. The IDB will call for the creation of an Application Review Committee of community members to evaluate the Economic Impact Plan and determine whether or not to submit the Economic Impact Plan to the City Council and County Commission. The Application Review Committee will also set a public hearing either regularly or specially scheduled meeting of the IDB, and the public hearing will be to talk about the TIF. The minutes from this meeting, along with the Economic Impact Plan, have been provided to the City Council and County Commission for consideration and approval in which case they will actually vote as to whether or not to approve the TIF. If the City Council and County Commission vote to approve the TIF, the applicant will then work with staff and the IDB to enter into a Development and Financing Agreement which will incorporate the specific terms of the TIF.

There are three existing TIFs in Chattanooga:

- (1) **Black Creek Mountain**, which was public infrastructure for that community in Lookout Valley (initially approved in 2012) and was for approximately \$9 million;
- (2) **M.L. King Extension**, which provided for an extension of M.L. King Blvd. to the Riverfront past Riverfront Parkway to provide certain connections to the Tennessee Riverwalk and The Blue Goose Hollow Trail of the Tennessee Riverwalk (approved in 2018) which was a smaller TIF for \$3.5 million, with an additional \$1.7 million for interest and other accounts; and
- (3) **East Chattanooga Rising**, which is also created to provide an extension of an existing road. Hardy Street is in East Chattanooga and dead ends into Roanoke Avenue. This TIF will allow Hardy Street to be extended beyond Roanoke Avenue and to provide connection for employees to enter into the new Nippon Automotive Americas facility being built on the former Harriet Tubman site in East Chattanooga. This TIF also provides the refunding for the redevelopment of some additional city-owned land that is right next to the facility along Roanoke Avenue (approved in 2019).

Looking forward, we want to think about how we use, and the IDB to think about how to use, the TIFs further economic development. That is what it was originally designed to do when used by the IDB. We want to make sure that we are using the TIF to: (1) reduce blighted and abandoned buildings; (2) creating public infrastructure for projects that pay above average wages; (3) make sure that TIFs meet the but-for test which the state allows every community to determine on their own; and (4) make sure that we are using this for economic development and catalyze areas that are underdeveloped.

We want to make sure people are aware that a couple of years ago the State of Tennessee also passed a new law around Brownfield TIFs and allow both the incremental property tax revenue and the incremental sales tax revenues to reduce sales taxes to also be captured in the eligible Brownfield TIF District. That is to make the redevelopment of Brownfields more attractive to developers and organizations.

Questions from the Board:

Mr. Sharpley stated that the use would be for above average wages, is there a baseline of what you consider? Mr. Freeman stated that above average wages change because the average wage is constantly changing. As the Bureau of Labor Statistics continues to make changes and to evaluate where wages are given whatever the economy is, we typically would want to look at whatever the average wages are at that point in time. The local ordinance does make the specific reference to the use of TIFs for the creation of jobs that pay above average wages.

Mr. Adkins stated that he has read and been aware that TIFs are primarily for blighted areas. It seems like now we are moving away from blighted areas to give TIFs. Mr. Freeman stated in our local legislation, as well as in state's legislation, it does not necessarily have to be blighted. It can also be just underdeveloped. If you have an area that is underdeveloped and has not been developed for whatever reason, you can also use TIFs based upon our own local ordinance, as well as the state's statute to review TIFs for economic development in areas that are underdeveloped.

An example would be the East Chattanooga Rising TIF, the former Harriet Tubman site was not blighted, it was just an open green after being cleaned up. The Berke Administration felt very strongly that given the level of disinvestment in East Chattanooga for the number of years and given the higher levels of unemployment, it would be good to use the former Harriet Tubman site as a place that could attract some industry to create jobs. That parcel was not blighted, but it was vacant. It was underutilized. The Berke Administration felt it was underutilized and thought that the use of TIFs in order to build that extension for Hardy Street would be a good use of that tool.

Mr. Adkins asked if building a big manufacturing or business section or apartments, which one would be more appropriate? Mr. Freeman stated that it depends because for the IDB, our local TIF ordinance does not really give the Board the authority to build apartments. Projects that are mostly residential it is assumed that those projects will be initiated by the Chattanooga Housing Authority or by another organization. Our local ordinance does give the IDB the ability to do a large industrial project. The Board has the ability to use TIFs if you thought that it was in the best interest of the City for a large industrial project.

Mr. Parker asked how many applications does Mr. Freeman get for TIFs on a quarterly or annual basis and are they advertised enough? Is this a tool that we should be using more? Mr. Freeman stated that he believes in our administration's perspective it is a tool that we should be using more, but we should be using it more selectively. This is not something that we necessarily want to advertise to the widespread community for come one, come all for TIFs. TIFs obviously carry a tremendous amount of considerations with the terms of fiscal impact and overall economic impact, and then, there is also a political consideration. Before you submit a TIF application, you really should have a conversation with Economic Development to determine whether or not this is in the spirit of what the current Mayor of the County and City are interested in doing. It really should have the support of the administrations.

Mr. Rodgers asked Mr. Freeman why is Steam Logistics a PILOT instead of a TIF? And who makes that decision? Mr. Freeman stated that Steam Logistics requested to apply for a PILOT. That was the decision they made. There is an argument that you could have used a TIF to redevelop the John Ross Building. That certainly could have been a use. What we could have done is potentially create a TIF district. The size of the TIF district could vary. Essentially, it does meet the standard of a project based upon the state statute. The problem with the Steam Logistics project is that there probably would not be a million dollars' worth of public infrastructure that needs to be improved. It will certainly go past the threshold of \$5 million on the private investment side, but it probably is not going to be the threshold above a million dollars' worth of public infrastructure. The Black Creek Mountain TIF was the first one we have done.

Mr. Noblett stated the benefit to the City in all of these is what amount of public infrastructure is put in place. If you have roads that are developed, sidewalks developed that would otherwise would have to be provided by the City, that is a benefit, and it is paid for by the increment that comes in off the taxes. The Economic Impact Plan has to be presented on the front end showing what benefits you will receive from that as a city in the long-term. That is what the City Council looks at and this Board approves after they have looked at it.

Mr. Sharpley asked with the Nippon Paint TIF, where were we at with the conversation with the community, with minorities, and Nippon Paint? Mr. Freeman stated that is something we still want to do. For clarification purposes, Nippon Paint did not apply for the TIF. They were not the applicant for the TIF. The City initiated the TIF process itself as the means of building that public infrastructure and building (inaudible). The City was actually the applicant. For the remaining acreage still owned by the City, the City fully intends to continue that community engagement process although the community wants to see on the front end of the redevelopment of the site. We wanted to have in-person meetings and in-person community input meetings to design what that looks like, but it has been very difficult because of the pandemic. That is something they still intend to do.

Mr. Rodgers stated that this is what he envisions being on the website. It should be accessible to the Board.

SMALL BUSINESS GRANT
EDUCATIONAL PRESENTATION
By Jermaine Freeman

Mr. Freeman gave the educational presentation on small business grants. The Board reviews applications or recommendations. The City in the past few years have been more actively involved in small business grants. We have three small business grant programs. Mr. Freeman will only speak about two. The third one is the construction mitigation grants which is a different type of grant, and we will save that one for another day.

The growing small business incentives are probably the most popular grant incentive. It was initially created by an ordinance by City Council back in 2014 and amended the ordinance in 2018. The amended ordinance basically raised the multiplier per job to \$1,000 from \$500 and extended the hiring period to count eligible employees from one year to 18 months, and also included the allowance for the reimbursement of eligible expenses.

A small business comes to us and if they are located in Chattanooga and then create at least five full-time positions over the previous 18 months, they have an opportunity to apply for a Growing Small Business Incentive Grant. Based upon the wages that they pay, we use a multiplier to determine what the grant amount is. The maximum award is \$10,000. One thing to note about this grant is that small businesses can reapply for the grant. The applicant cannot exceed \$10,000 per year in terms of total award costs. The \$10,000 is the maximum that any small business can get per year. This is only available for small businesses that have less than 100 employees. Small businesses that are over 100 employees, we do not consider small for the purposes of this grant.

We have a number of small businesses that have received small business grants under this program: Childcare centers; an accounting firm; bar; a tech company that specializes in cyber security; a food service caterer; ReadytoHangArt.com was the grant that was approved last month by this Board which provides art supplies; commercial cleaning companies; adventure sports innovation which provides outdoor recreation; and The Athletic Shoppe. We have covered the spectrum in terms of industries. If the small business has less than 100 people and have created five full-time jobs within the previous 18 months, they potentially qualify for a grant after they go through our process.

The other program is the Innovation Grant. This was created by ordinance by the City Council in March of 2015, and it was also amended in 2018. It will individually provide a grant for \$250 per job, and originally that was fast-growing, had to create at least 25 full-time jobs in order to qualify for this grant. This past year, we extended the 12-month period to an 18-month period and raised the threshold from \$250 a job to \$1,000 per job. It is important to note that this grant is discretionary. It is specifically for hybrid companies that specialize in innovation space - factories, tech companies, data analytics. This is not for everyone. This is only for companies that specialize in the innovation and tech space. We have an internal committee that reviews whether or not companies meet that threshold. These are some of the past recipients: FreightWaves; Branch Technologies which does 3-D printing; and American Bicycle Group. We focus on companies in the tech site, manufacturing, software development, innovation companies. When this grant was first created, it was created for specifically companies that were physically located in the City's Innovation District. One thing that we decided to in order to make it more as small business friendly was extend that out to anywhere in the City of Chattanooga.



There being no further business, the meeting adjourned at 12:05 p.m.

PATRICK SHARPLEY, *Secretary*

APPROVED:

JIMMY F. RODGERS, JR., *Chair*

**CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD
ECD - VOLKSWAGEN INCENTIVE PROJECT
VW FUNDING PROGRESS SUMMARY
As of Jan 25, 2022**

FIRST MOU	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Contract Amount	Adj. For Grant Amount Not Expended at Grant Expiration Date	Final Grant Budget Amount	PJTD Expenditures As of Oct 4, 2021	Current Expenditures	PJTD Expenditures As of Jan 25, 2022	Encumbrances as of Jan 25, 2022	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	Contingencies	Est. Available Balance net of Contingencies	% Spent, Encumbered & Contingencies
6.1 Site Preparation - State *	79,614,864	16,405,000	96,019,864	(3,099,867)	92,919,998	92,919,998	-	92,919,998	-	-	100.00%	-	-	100.00%
6.2 Infrastructure - State *	70,000,000	2,795,525	72,795,525	-	72,795,525	72,795,525	-	72,795,525	-	-	100.00%	-	-	100.00%
7.4 Training Facility - State *	40,000,000	-	40,000,000	(4,058)	39,995,942	39,995,942	-	39,995,942	-	-	100.00%	-	-	100.00%
9.10 Marketing & Public Relations - State *	1,966,200	(275)	1,965,925	(20)	1,965,905	1,965,905	-	1,965,905	-	-	100.00%	-	-	100.00%
TOTAL STATE FUNDING	191,581,064	19,200,250	210,781,314	(3,103,945)	207,677,370	207,677,370	-	207,677,370	-	-	100.00%	-	-	100.00%
6.2 Infrastructure - Local **	40,000,000	-	40,000,000	N/A	40,000,000	39,946,743	-	39,946,743	-	53,256	99.87%	-	53,256	99.87%
9.5 Welcome Center - Local	6,000,000	(6,000,000)	-	-	-	-	-	-	-	-	N/A	-	-	N/A
TOTAL LOCAL FUNDING	46,000,000	(6,000,000)	40,000,000	-	40,000,000	39,946,743	-	39,946,743	-	53,257	99.87%	-	53,256	99.87%
TOTAL IDB FUNDING FOR FIRST MOU	237,581,064	13,200,250	250,781,314	(3,103,945)	247,677,370	247,624,113	-	247,624,113	-	53,257	99.98%	-	53,256	99.98%

* State grant 6.1, 6.2, and 7.4 ended on 6/30/2015; State grant 9.10 ended on 4/30/2017. Total of these four State grants per grant contract is \$210,781,314. \$3,103,945 was not used.

** Total local infrastructure does not include 6.3 Public roads and 6.4 Railway Lines as they are not managed by the IDB.

SECOND MOU	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Total Amended Budget	Adj. For Grant Amount Not Expended at Grant Expiration Date	Final Grant Budget Amount	PJTD Expenditures As of Oct 4, 2021	Current Expenditures	PJTD Expenditures As of Jan 25, 2022	Encumbrances as of Jan 25, 2022	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	Contingencies	Est. Available Balance net of Contingencies	% Spent, Encumbered & Contingencies
3.1 Facility Development - State	165,778,000	3,099,867	168,877,867	N/A	168,877,867	168,877,867	-	168,877,867	-	-	100.00%	-	-	100.00%
TOTAL STATE FUNDING	165,778,000	3,099,867	168,877,867	N/A	168,877,867	168,877,867	-	168,877,867	-	-	100.00%	-	-	100.00%
VW SUV - Local	52,500,000	-	52,500,000	N/A	52,500,000	52,032,213	12,469	52,044,683	21,029	434,288	99.17%	-	434,288	99.17%
TOTAL LOCAL FUNDING	52,500,000	-	52,500,000	N/A	52,500,000	52,032,213	12,469	52,044,683	21,029	434,288	99.17%	-	434,288	99.17%
TOTAL IDB FUNDING FOR SECOND MOU	218,278,000	3,099,867	221,377,867	N/A	221,377,867	220,910,081	12,469	220,922,550	21,029	434,288	99.80%	-	434,288	99.80%

* State grant 3.1 ended on 3/6/2020

Letter of Intent (LOI)	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Total Amended Budget	Adj. For Grant Amount Not Expended at Grant Expiration Date	Final Grant Budget Amount	PJTD Expenditures As of Oct 4, 2021	Current Expenditures	PJTD Expenditures As of Jan 25, 2022	Encumbrances as of Jan 25, 2022	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	Contingencies	Est. Available Balance net of Contingencies	% Spent, Encumbered & Contingencies
VW - Local	5,000,000	-	5,000,000	N/A	5,000,000	-	-	-	-	5,000,000	0.00%	-	5,000,000	0.00%
TOTAL LOCAL FUNDING	5,000,000	-	5,000,000	N/A	5,000,000	-	-	-	-	5,000,000	0.00%	-	5,000,000	0.00%
TOTAL IDB FUNDING FOR LOI	5,000,000	-	5,000,000	N/A	5,000,000	-	-	-	-	5,000,000	0.00%	-	5,000,000	0.00%

FIRST & SECOND MOU & LOI	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Total Amended Budget	Adj. For Grant Amount Not Expended at Grant Expiration Date	Final Grant Budget Amount	PJTD Expenditures As of Oct 4, 2021	Current Expenditures	PJTD Expenditures As of Jan 25, 2022	Encumbrances as of Jan 25, 2022	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	Contingencies	Est. Available Balance net of Contingencies	% Spent, Encumbered & Contingencies
TOTAL IDB FUNDING FOR FIRST & SECOND MOU & LOI	460,859,064	16,300,117	477,159,181	(3,103,945)	474,055,237	468,534,193	12,469	468,546,663	21,029	5,487,545	98.84%	-	5,487,545	98.84%

CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD
 ECD - VOLKSWAGEN INCENTIVE PROJECT
 STATE FUNDING PROGRESS REPORT - FIRST MOU
 As of Jan 25, 2022

Description	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Contract Amount	Adj. For Grant Amount Not Expended at Grant Expiration Date	Final Grant Budget Amount	PJTD Expenditures As of Oct 4, 2021	Current Expenditures	PJTD Expenditures As of Jan 25, 2022	Encumbrances as of Oct 4, 2021	Change in Encumbrances	Encumbrances as of Jan 25, 2022	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	Contingencies	Est. Available Balance net of Contingencies	% Spent, Encumbered & Contingencies
----- GRANT ENDED 6/30/2015 -----																
6.1 SITE PREPARATION																
Clearing, Grubbing & Mass Grading	1,664,957	-	1,664,957	-	1,664,957	1,664,957	-	1,664,957	-	-	-	-	100%	-	-	100%
Grubbing & Erosion Control	2,704,391	-	2,704,391	(110,911)	2,593,480	2,593,480	-	2,593,480	-	-	-	-	100%	-	-	100%
Fine Grading (Site Pad)	50,428,531	8,949,529	59,378,060	(312,448)	59,065,612	59,065,612	-	59,065,612	-	-	-	-	100%	-	-	100%
Stone Pad	7,483,865	-	7,483,865	-	7,483,865	7,483,865	-	7,483,865	-	-	-	-	100%	-	-	100%
Stream Relocation	5,436,511	-	5,436,511	83,275	5,519,786	5,519,786	-	5,519,786	-	-	-	-	100%	-	-	100%
Detention Pond	997,907	3,604,471	4,602,378	(1,424,905)	3,177,473	3,177,473	-	3,177,473	-	-	-	-	100%	-	-	100%
North Area	-	2,358,855	2,358,855	(1,613,304)	745,551	745,551	-	745,551	-	-	-	-	100%	-	-	100%
Construction Access Roads	718,565	-	718,565	-	718,565	718,565	-	718,565	-	-	-	-	100%	-	-	100%
Rammed Aggregate Piers	1,874,615	-	1,874,615	-	1,874,615	1,874,615	-	1,874,615	-	-	-	-	100%	-	-	100%
Design, RPR, Survey, Testing, Project Support	8,305,522	1,492,145	9,797,667	278,426	10,076,093	10,076,093	-	10,076,093	-	-	-	-	100%	-	-	100%
TOTAL 6.1 SITE PREPARATION *	79,614,864	16,405,000	96,019,864	(3,099,867)	92,919,998	92,919,998	-	92,919,998	-	-	-	-	100%	-	-	100%
----- GRANT ENDED 6/30/2015 -----																
6.2 INFRASTRUCTURE																
VW Test Track	1,915,000	-	1,915,000	(9,482)	1,905,518	1,905,518	-	1,905,518	-	-	-	-	100%	-	-	100%
VW Electric Transformer Station	10,945,000	-	10,945,000	(9,690)	10,935,310	10,935,310	-	10,935,310	-	-	-	-	100%	-	-	100%
VW Mixing Yard	10,025,000	-	10,025,000	1,819,244	11,844,244	11,844,244	-	11,844,244	-	-	-	-	100%	-	-	100%
VW Parking Lots for Employees	12,700,000	2,091,000	14,791,000	(1,613,586)	13,177,414	13,177,414	-	13,177,414	-	-	-	-	100%	-	-	100%
VW Tank Farm (Fluids Storage) & Utilities	30,445,000	-	30,445,000	(17,473)	30,427,527	30,427,527	-	30,427,527	-	-	-	-	100%	-	-	100%
VW Planning, Engineering, Etc	3,970,000	245,855	4,215,855	(38,079)	4,177,776	4,177,776	-	4,177,776	-	-	-	-	100%	-	-	100%
North Area Grading	-	368,145	368,145	(130,935)	237,210	237,210	-	237,210	-	-	-	-	100%	-	-	100%
North Area Non-reimbursable	-	90,525	90,525	-	90,525	90,525	-	90,525	-	-	-	-	100%	-	-	100%
TOTAL 6.2 INFRASTRUCTURE	70,000,000	2,795,525	72,795,525	-	72,795,525	72,795,525	-	72,795,525	-	-	-	-	100%	-	-	100%
Subtotal State (6.1 & 6.2)	149,614,864	19,200,525	168,815,389	(3,099,867)	165,715,523	165,715,522	-	165,715,522	-	-	-	-	100%	-	-	100%

CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD
 ECD - VOLKSWAGEN INCENTIVE PROJECT
 STATE FUNDING PROGRESS REPORT - FIRST MOU
 As of Jan 25, 2022

Description	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Contract Amount	Adj. For Grant Amount Not Expended at Grant Expiration Date	Final Grant Budget Amount	PJTD Expenditures As of Oct 4, 2021	Current Expenditures	PJTD Expenditures As of Jan 25, 2022	Encumbrances as of Oct 4, 2021	Change in Encumbrances	Encumbrances as of Jan 25, 2022	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	Contingencies	Est. Available Balance net of Contingencies	% Spent, Encumbered & Contingencies
7.4 TRAINING FACILITY ----- GRANT ENDED 6/30/2015 -----																
Training Center	22,900,000	148,110	23,048,110	-	23,048,110	23,048,110	-	23,048,110	-	-	-	-	100%	-	-	100%
Equipment for Training Center	13,500,000	(327,889)	13,172,111	(4,058)	13,168,053	13,168,053	-	13,168,053	-	-	-	-	100%	-	-	100%
Related Planning Cost	3,600,000	179,779	3,779,779	-	3,779,779	3,779,779	-	3,779,779	-	-	-	-	100%	-	-	100%
Total 7.4 ST. TRAINING FACILITY	40,000,000	-	40,000,000	(4,058)	39,995,942	39,995,942	-	39,995,942	-	-	-	-	100%	-	-	100%
9.10 MARKETING & PUBLIC RELATIONS ----- GRANT ENDED 4/30/2017 -----																
9.10 Visitor's Center **	200,000	(275)	199,725	-	199,725	199,725	-	199,725	-	-	-	-	100%	-	-	100%
9.10 Capital Purchase (Roof Sign)	239,580	(30,460)	209,120	-	209,120	209,120	-	209,120	-	-	-	-	100%	-	-	100%
9.10 Capital Purchase & Professional Fees (Admin & Planning)	26,620	(15,204)	11,416	(20)	11,397	11,397	-	11,397	-	-	-	-	100%	-	-	100%
9.10 Professional Fees, Grant & Award (Education partnership)	1,500,000	(500,000)	1,000,000	-	1,000,000	1,000,000	-	1,000,000	-	-	-	-	100%	-	-	100%
9.10 Salaries, Benefits & Taxes (Plant Tours)	-	27,117	27,117	-	27,117	27,117	-	27,117	-	-	-	-	100%	-	-	100%
9.10 Professional Fees, Grants & Award (Marketing Expenses)	-	518,547	518,547	-	518,547	518,547	-	518,547	-	-	-	-	100%	-	-	100%
Total 9.10 MARKETING & PUBLIC RELATIONS	1,966,200	(275)	1,965,925	(20)	1,965,905	1,965,905	-	1,965,905	-	-	-	-	100%	-	-	100%
TOTAL ALL STATE FUNDS	191,581,064	19,200,250	210,781,314	(3,103,945)	207,677,370	207,677,370	-	207,677,370	-	-	-	-	100%	-	-	100%

These reports are intended to represent the budgets available to the IDB and do not reflect the entire incentive package.

CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD
 ECD - VOLKSWAGEN INCENTIVE PROJECT
 LOCAL FUNDING PROGRESS REPORT - FIRST MOU
 As of Jan 25, 2022

Description	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Grant Budget Amount	PJTD Expenditures As of Oct 4, 2021	Current Expenditures	PJTD Expenditures As of Jan 25, 2022	Encumbrances as of Oct 4, 2021	Change in Encumbrances	Encumbrances as of Jan 25, 2022	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	Contingencies	Est. Available Balance net of Contingencies	% Spent, Encumbered & Contingencies
VW Streets, Lanes, etc., including Helipad	8,345,835	-	8,345,835	8,345,835	-	8,345,835	-	-	-	-	100.00%	-	-	100.00%
VW Railroads, Loading Dept	10,080,801	-	10,080,801	10,080,801	-	10,080,801	-	-	-	-	100.00%	-	-	100.00%
VW Fire Dept Building, garage and equipment	3,070,609	-	3,070,609	3,070,609	-	3,070,609	-	-	-	-	100.00%	-	-	100.00%
VW Construction Lanes	1,640,533	-	1,640,533	1,640,533	-	1,640,533	-	-	-	-	100.00%	-	-	100.00%
VW Guard House and Fence	1,310,219	-	1,310,219	1,310,219	-	1,310,219	-	-	-	-	100.00%	-	-	100.00%
Drive Around Property	553,714	-	553,714	553,714	-	553,714	-	-	-	-	100.00%	-	-	100.00%
Scrap Yard	118,933	-	118,933	118,933	-	118,933	-	-	-	-	100.00%	-	-	100.00%
VW Water, Waste & Stormwater	6,093,236	-	6,093,236	6,093,236	-	6,093,236	-	-	-	-	100.00%	-	-	100.00%
VW Gas, Telecom, Power (Additional Utility Infra)	1,120,472	-	1,120,472	1,120,472	-	1,120,472	-	-	-	-	100.00%	-	-	100.00%
VW Planning, Engineering, Etc	7,665,648	-	7,665,648	7,612,392	-	7,612,392	-	-	-	53,256	99.31%	-	53,256	99.31%
TOTAL 6.2 INFRASTRUCTURE - LOCAL	40,000,000	-	40,000,000	39,946,743	-	39,946,743	-	-	-	53,256	99.87%	-	53,256	99.87%
Welcome Center	6,000,000	(6,000,000)	-	-	-	-	-	-	-	-	N/A	-	-	N/A
TOTAL 9.5 OTHER LOCAL FUNDING	6,000,000	(6,000,000)	-	-	-	-	-	-	-	-	N/A	-	-	N/A
TOTAL LOCAL FUNDINGS (Managed by IDB) *	46,000,000	(6,000,000)	40,000,000	39,946,743	-	39,946,743	-	-	-	53,257	99.87%	-	53,256	99.87%

These reports are intended to represent the budgets available to the IDB and do not reflect the entire incentive package.

* Total local infrastructure does not include 6.3 Public roads and 6.4 Railway Lines as they are not managed by the IDB.

Changes Since Prior Report - FIRST MOU										
As of Jan 25, 2022										
		Expenditures		Encumbrances		Change				
		This Report	Last Report	This Report	Last Report	Expenditures	Encumbrances	Actual	Encumbrance	Comments
Z10101	Clearing, Grubbing & Mass Grading	1,664,957	1,664,957	-	-	-	-			
Z10102	Grubbing & Erosion Control	2,593,480	2,593,480	-	-	-	-			
Z10103	Fine Grading (Site Pad)	59,065,612	59,065,612	-	-	-	-			
Z10104	Stone Pad	7,483,865	7,483,865	-	-	-	-			
Z10105	Stream Relocation	5,519,786	5,519,786	-	-	-	-			
Z10106	Detention Pond	3,177,473	3,177,473	-	-	-	-			
Z10107	North Area	745,551	745,551	-	-	-	-			
Z10109	Construction Access Roads	718,565	718,565	-	-	-	-			
Z10110	Rammed Aggregate Piers	1,874,615	1,874,615	-	-	-	-			
Z10111	Design, RPR, Survey, Testing & Project Support	10,076,093	10,076,093	-	-	-	-			
TOTAL 6.1 SITE PREPARATION		92,919,998	92,919,998	-	-	-	-	-	-	Grant ended 6/30/2015
Z10301	VW Test Track	1,905,518	1,905,518	-	-	-	-			
Z10306	VW Electric Transformer Station	10,935,310	10,935,310	-	-	-	-			
Z10307	VW Mixing Yard	11,844,244	11,844,244	-	-	-	-			
Z10308	VW Parking Lots for Employees	13,177,414	13,177,414	-	-	-	-			
Z10312	VW Tank Farm (Fluids Storage) & Utilities	30,427,527	30,427,527	-	-	-	-			
Z10315	VW Planning, Engineering, Etc	4,177,776	4,177,776	-	-	-	-			
Z10316	North Area Grading	237,210	237,210	-	-	-	-			
Z10317	North Area Non-reimbursable	90,525	90,525	-	-	-	-			
TOTAL 6.2 INFRASTRUCTURE		72,795,525	72,795,525	-	-	-	-	-	-	Grant ended 6/30/2015
Z10601	Training Center	23,048,110	23,048,110	-	-	-	-			
Z10602	Equipment for Training Ctr	13,168,053	13,168,053	-	-	-	-			
Z10603	Related Planning Cost	3,779,779	3,779,779	-	-	-	-			
TOTAL 7.4 ST. TRAINING FACILITY		39,995,942	39,995,942	-	-	-	-	-	-	Grant ended 6/30/2015
Z00701	Visitor's Center	199,725	199,725	-	-	-	-			
Z00702										
Z00703	Capital Purchase (Roof Sign)	209,120	209,120	-	-	-	-			
Z00704	Capital Purchase & Professional Fees (Admin & Planning)	11,397	11,397	-	-	-	-			
Z00705	Professional Fees, Grant & Award (Education partnership)	1,000,000	1,000,000	-	-	-	-			
Z00706	Salaries, Benefits & Taxes (Plant Tours)	27,117	27,117	-	-	-	-			
Z00707	Professional Fees, Grants & Award (Marketing Expenses)	518,547	518,547	-	-	-	-			
TOTAL 9.10 MARKETING & PUBLIC RELATIONS		1,965,905	1,965,905	-	-	-	-	-	-	Grant ended 4/30/2017

Changes Since Prior Report - FIRST MOU										
As of Jan 25, 2022										
		Expenditures		Encumbrances		Change				
		This Report	Last Report	This Report	Last Report	Expenditures	Encumbrances	Actual	Encumbrance	Comments
Z10401	VW Streets, Lanes, etc., including Helipad	8,345,835	8,345,835	-	-	-	-			
Z10402	VW Railroads, Loading Dept	10,080,801	10,080,801	-	-	-	-			
Z10403	VW Fire Dept Building, garage and equipment	3,070,609	3,070,609	-	-	-	-			
Z10404	VW Construction Lanes	1,640,533	1,640,533	-	-	-	-			
Z10405	VW Guard House and Fence	1,310,219	1,310,219	-	-	-	-			
Z10409	VW Drive Around Property	553,714	553,714	-	-	-	-			
Z10411	VW Scrap Yard	118,933	118,933	-	-	-	-			
Z10412	VW Water, Waste & Stormwater	6,093,236	6,093,236	-	-	-	-			
Z10413	VW Gas, Telecom, Power (Additional Utility Infra)	1,120,472	1,120,472	-	-	-	-			
Z10415	VW Planning, Engineering, Etc	7,612,392	7,612,392	-	-	-	-			
TOTAL 6.2 INFRASTRUCT LOCAL		39,946,743	39,946,743	-	-	-	-	-	-	
Z00801	Welcome Center	-	-	-	-	-	-			
TOTAL 9.5 WELCOME CTR LOCAL		-	-	-	-	-	-	-	-	
TOTAL		247,624,113	247,624,113	-	-	-	-	-	-	

CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD
 ECD - VOLKSWAGEN INCENTIVE PROJECT
 STATE FUNDING PROGRESS REPORT - SECOND MOU
 As of Jan 25, 2022

Description	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Grant Budget Amount	PJTD Expenditures As of Oct 4, 2021	Current Expenditures	PJTD Expenditures As of Jan 25, 2022	Encumbrances as of Oct 4, 2021	Change in Encumbrances	Encumbrances as of Jan 25, 2022	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	Contingencies	Est. Available Balance net of Contingencies	% Spent, Encumbered & Contingencies
Infrastructure I	22,271,000	6,649,804	28,920,804	24,714,941	-	24,714,941	-	-	-	4,205,863	85.46%	-	4,205,863	85.46%
Manufacturing Equipment	140,635,000	(677,937)	139,957,063	144,162,926	-	144,162,926	-	-	-	(4,205,863)	103.01%	-	(4,205,863)	103.01%
TOTAL 3.1 FACILITY DEVELOPMENT	165,778,000	3,099,867	168,877,867	168,877,867	-	168,877,867	-	-	-	-	100.00%	-	-	100.00%
TOTAL STATE FUNDS	165,778,000	3,099,867	168,877,867	168,877,867	-	168,877,867	-	-	-	-	100.00%	-	-	100.00%

----- GRANT ENDED 3/6/2020 -----

These reports are intended to represent the budgets available to the IDB and do not reflect the entire incentive package.

CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD
 ECD - VOLKSWAGEN INCENTIVE PROJECT
 LOCAL FUNDING PROGRESS REPORT - SECOND MOU
 As of Jan 25, 2022

Description	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Grant Budget Amount	PJTD Expenditures As of Oct 4, 2021	Current Expenditures	PJTD Expenditures As of Jan 25, 2022	Encumbrances as of Oct 4, 2021	Change in Encumbrances	Encumbrances as of Jan 25, 2022	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	Contingencies	Est. Available Balance net of Contingencies	% Spent, Encumbered & Contingencies
Major Underground Additions	723,725	(267,894)	455,831	455,831	-	455,831	-	-	-	-	100.00%	-	-	100.00%
Paint Shop Capacity Increase	1,344,385	241,357	1,585,742	1,585,742	-	1,585,742	-	-	-	-	100.00%	-	-	100.00%
Production and Logistics Building Addition	22,802,333	207,197	23,009,530	23,009,530	-	23,009,530	-	-	-	-	100.00%	-	-	100.00%
Assembly Finish Building Extension & Infra.	8,590,958	295,658	8,886,616	8,886,616	-	8,886,616	-	-	-	-	100.00%	-	-	100.00%
Technical Center Pilot Program Extension	4,968,082	(253,229)	4,714,853	4,714,853	-	4,714,853	-	-	-	-	100.00%	-	-	100.00%
Body Shop Robots Fixtures Integration	2,460,223	2,979,843	5,440,066	5,420,707	-	5,420,707	-	-	-	19,359	99.64%	-	19,359	99.64%
VW SUV B Planning Costs	7,425,329	578,553	8,003,882	7,858,574	5,060	7,863,634	21,029	-	21,029	119,219.00	98.51%	-	119,219.00	98.51%
VW SUV B Contingency	1,085,098	(1,076,618)	8,480	-	-	-	-	-	-	8,480	0.00%	-	8,480	0.00%
VW SUV B Site Preparation	3,099,867	(2,704,867)	395,000	100,361	7,409	107,770	10,409	(10,409)	-	287,230	27.28%	-	287,230	27.28%
TOTAL 6.1 VW SUV - LOCAL FUNDING	52,500,000	-	52,500,000	52,032,213	12,469	52,044,683	31,438	(10,409)	21,029	434,288	99.17%	-	434,288	99.17%
TOTAL LOCAL FUNDINGS (Managed by IDB)	52,500,000	-	52,500,000	52,032,213	12,469	52,044,683	31,438	(10,409)	21,029	434,288	99.17%	-	434,288	99.17%

These reports are intended to represent the budgets available to the IDB and do not reflect the entire incentive package.

Changes Since Prior Report - SECOND MOU										
As of Jan 25, 2022										
		Expenditures		Encumbrances		Change				
		This Report	Last Report	This Report	Last Report	Expenditures	Encumbrances	Actual	Encumbrance	Comments
Z01001	Infrastructure I	24,714,941.48	24,714,941.48	-	-	-	-			
Z01003	Manufacturing Equipment	144,162,925.72	144,162,925.72	-	-	-	-			
TOTAL 3.1 FACILITY DEVELOPMENT - STATE		168,877,867	168,877,867	-	-	-	-	-	-	Grant ended 3/6/2020
Z00902	Major Underground Additions	455,831.00	455,831.00	-	-	-	-			
Z00904	Paint Shop Capacity Increase	1,585,741.95	1,585,741.95	-	-	-	-			
Z00905	Production and Logistics Building Addition	23,009,530.27	23,009,530.27	-	-	-	-			
Z00906	Assembly Finish Building Extension & Infra.	8,886,616.12	8,886,616.12	-	-	-	-			
Z00907	Technical Center Pilot Program Extension	4,714,852.72	4,714,852.72	-	-	-	-			
Z00913	Body Shop Robots Fixtures Integration	5,420,706.50	5,420,706.50	-	-	-	-			
Z00918	VW SUV B Planning Costs	7,863,634.00	7,858,574.22	21,028.96	21,028.96	5,059.78	-	5,059.78		Payments made to BWSC
Z00919	VW SUV B Contingency	-	-	-	-	-	-			
Z00920	VW SUV B Site Preparation	107,770.00	100,360.54	-	10,409.29	7,409.46	(10,409.29)	7,409.46	(10,409.29)	Payments made to Heritage Fence Repair
TOTAL 1.1 VW SUV -LOCAL		52,044,683	52,032,213	21,029	31,438	12,469	(10,409)	12,469	(10,409)	
Contingency										
		This Report	Last Report	Change	Comments					
Z00919	VW SUV B Contingency	-	-	-						
TOTAL		220,922,550	220,910,081	21,029	31,438	12,469	(10,409)	12,469	(10,409)	

CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD
 ECD - VOLKSWAGEN INCENTIVE PROJECT
 LOCAL FUNDING PROGRESS REPORT - LETTER OF INTENT
 As of Jan 25, 2022

Description	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Grant Budget Amount	PJTD Expenditures As of Oct 4, 2021	Current Expenditures	PJTD Expenditures As of Jan 25, 2022	Encumbrances as of Oct 4, 2021	Change in Encumbrances	Encumbrances as of Jan 25, 2022	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	Contingencies	Est. Available Balance net of Contingencies	% Spent, Encumbered & Contingencies
Construction of Capital Projects	5,000,000	-	5,000,000	-	-	-	-	-	-	5,000,000	0.00%	-	5,000,000	0.00%
TOTAL LOI VW SUV - LOCAL FUNDING	5,000,000	-	5,000,000	-	-	-	-	-	-	5,000,000	0.00%	-	5,000,000	0.00%
TOTAL LOCAL FUNDINGS (Managed by IDB)	5,000,000	-	5,000,000	-	-	-	-	-	-	5,000,000	0.00%	-	5,000,000	0.00%

These reports are intended to represent the budgets available to the IDB and do not reflect the entire incentive package.

RESOLUTION

A RESOLUTION AUTHORIZING THE INDUSTRIAL DEVELOPMENT BOARD CHAIR OR VICE-CHAIR TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH THE CITY OF CHATTANOOGA FOR THE DESIGN AND CONSTRUCTION OF WET WEATHER EQUALIZATION STATIONS, ESTIMATED TO COST ONE HUNDRED TWENTY-FIVE MILLION DOLLARS (\$125,000,000.00), AS PART OF THE ENVIRONMENTAL AND ECONOMIC INFRASTRUCTURE IMPROVEMENT PROJECT (E2I2), A JOINT PROJECT BETWEEN THE CITY OF CHATTANOOGA AND THE HAMILTON COUNTY WATER AND WASTEWATER AUTHORITY, TO REDUCE OR ELIMINATE CHRONIC SANITARY SEWER OVERFLOWS IN THE REGIONAL SANITARY SEWER COLLECTION SYSTEM AT WEST CHICKAMAUGA (HWY I-75, CHATTANOOGA, TN, 37421), SOUTH LEE HWY (7148 LEE HWY, CHATTANOOGA, TN, 37421), AND PINEVILLE (HUDSON ROAD, CHATTANOOGA, TN, 37405) AND TO PREVENT MORATORIUMS ON SANITARY SEWER CONNECTIONS UNDER THE CITY OF CHATTANOOGA'S CONSENT DECREE.

BE IT RESOLVED, that the Chair or Vice-Chair of the Industrial Development Board of the City of Chattanooga is hereby authorized to execute a Memorandum of Understanding with the City of Chattanooga for the design and construction of wet weather equalization stations, estimated to cost \$125,000,000.00, as part of the Environmental and Economic Infrastructure Improvement Project (e2i2), a joint project between the City of Chattanooga and the Hamilton County Water and Wastewater Authority, to reduce or eliminate chronic sanitary sewer overflows in the regional sanitary sewer collection system at West Chickamauga (Hwy I-75, Chattanooga, TN, 37421), South Lee Hwy (7148 Lee Hwy, Chattanooga, TN, 37421), and Pineville (Hudson Road, Chattanooga, TN, 37405) and to prevent moratoriums on sanitary sewer connections under the City of Chattanooga's Consent Decree.

ADOPTED: February 7, 2022

THE INDUSTRIAL DEVELOPMENT
BOARD OF THE CITY OF CHATTANOOGA

Attest:

JIMMY F. RODGERS, JR., Chair

PATRICK SHARPLEY, Secretary

Industrial Development Board



Resolution Request Form

(This form is only required for resolutions requiring expenditure of IDB Funds)

Date Prepared 01/26/22

Preparer: Mark D. Heinzer

Department: Public Works

Brief Description of Purpose for Resolution:

Resolution Number (if approved by IDB):

A resolution authorizing the Chair or Vice Chair of The Industrial Development Board Of The City of Chattanooga to execute a Memorandum of Understanding with the City of Chattanooga for the design and construction of wet weather equalization stations, estimated to cost \$125,000,000, as part of the Environmental and Economic Infrastructure Improvement Project (e2i2), a joint project between the City of Chattanooga and the Hamilton County Water and Wastewater Authority, to reduce or eliminate chronic sanitary sewer overflows in the regional sanitary sewer collection system at West Chickamauga (Hwy I-75, Chattanooga, TN, 37421), South Lee Hwy (7148 Lee Hwy, Chattanooga, TN, 37421), and Pineville (Hudson Road, Chattanooga, TN, 37405) and to prevent moratoriums on sanitary sewer connections under the City of Chattanooga's Consent Decree.

Name of Vendor/Contractor/Grant, etc. City of Chattanooga

Total project cost \$ 0.00

Amount Funded \$ 0.00

New Funding Required \$ 0.00

Purchase Order _____

New Contract/Project? (Yes or No) Yes

Funds Budgeted? (YES or NO) N/A

Provide Fund N/A

Provide Cost Center N/A

Proposed Funding Source if not budgeted N/A

Grant Period (if applicable) N/A

Location

Headquarters: Chattanooga, TN Branch: Chattanooga, TN

List all other funding sources and amount for each contributor.

Amount(s)	Grantor(s)

Agency Grant Number _____

Contract Administered by: City

CFDA Number if known _____

Other comments: (Include contingency amount, contractor, and other information useful in preparing resolution)

The City of Chattanooga Dept. of Public Works is funding the project through a combination of low interest loans and fund balance. In addition, financial participation from WWTa is anticipated relative to their usage of the completed system.

Approved by: _____

Reviewed by: FINANCE OFFICE

DESIGNATED OFFICIAL/ADMINISTRATOR

Please submit completed form to @budget, City Attorney and City Finance Officer

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (this "Agreement") is hereby made and entered into as of the _____ day of _____, 202____ (the "Effective Date"), by and between the City of Chattanooga, through its Department of Public Works, Waste Resource Division, City of Chattanooga, Tennessee, (the "Owner") and the Industrial Development Board for the City of Chattanooga, Tennessee (the "Development Authority") (the Owner and the Development Authority, collectively, the "Parties").

RECITALS

WHEREAS, the Environmental and Economic Infrastructure Improvements Project (e2i2) is an interlocal agreement with the City of Chattanooga and the Hamilton County Water and Wastewater Treatment Authority and the e2i2 Agreement (the "Project") was approved by the Chattanooga City Council on November 5, 2019, as Resolution No. 30123; the First Amendment was approved by Chattanooga City Council on March 9, 2021, as Resolution No. 30684; and the Second Amendment was presented to Chattanooga City Council on January 11, 2022, for approval as Resolution No. 31013 before this matter was presented to this Board; and

WHEREAS, the Development Authority has the power to promote the control and elimination of all types of pollution that may result from the existence, development, or expansion of commerce and industry within this state in order to reduce, control, and prevent environmental pollution and to assist action taken at various levels of government to require acquisition and installation of devices, equipment and facilities for the collection, reduction, treatment, and disposal of wastes and pollution by financing assistance within Title 7, Chapter 53, of the Tennessee Code Annotated which is in the public interest and serves a public purpose of the state in promoting the health, welfare, and safety of the citizens of this state by reducing, controlling, and preventing environmental pollution by pollution control facilities pursuant to Tennessee Code Annotated § 7-53-101 and 7-53-102.

WHEREAS, the Owner's proposed wet weather equalization stations (the "Facilities") are located at three parcels in Chattanooga, Tennessee (the "Project Sites"):

- West Chickamauga (Hwy I-75, Chattanooga, TN, 37421)
- South Lee Hwy (7148 Lee Hwy, Chattanooga, TN, 37421)
- Pineville (Hudson Road, Chattanooga, TN, 37405); and

WHEREAS, the Project will require the Owner to make a total capital investment of approximately \$125,000,000 to the regional wastewater collection system of Chattanooga. The City of Chattanooga will be responsible for sixty (60%) percent of the total capital costs of the Project and the HCWWTA will be responsible for forty (40%) percent of the total capital costs of the Project; and

WHEREAS, the Project will be awarded through the Development Authority. The Owner was approved to apply for loan funding from the EPA Water Infrastructure Finance and Innovation Act of 2014 (WIFIA) and will apply for TDEC State Revolving Fund (SRF) loans. For any amounts not approved for SRF funding, the Owner will issue a General Obligations Bond; and

WHEREAS, the Project will be delivered by the Progressive Design-Build method. The Development Authority will be the Industrial Development Board for the City of Chattanooga, Tennessee, as described in Tennessee Code Annotated § 7-53-101, and pursuant to Tennessee Code Annotated § 12-10-124, as a public corporation, to engage in a request-for-proposal process or other public process for the construction of this Project; and

WHEREAS, the Parties are desirous of setting forth the proposals and respective commitments of the Development Authority, and the Owner in a valid, binding, and enforceable agreement, as more fully described herein, which shall, on the Effective Date, become legally binding obligations of the Parties; and

WHEREAS, the City presented to the Development Authority in a public meeting on November 1, 2021, that a failure to construct the e2i2 Project could result in development moratoriums where sewer capacity would be exceeded; and

NOW, THEREFORE, upon and in consideration of the respective promises and covenants contained herein and for other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

ARTICLE I - CONDITIONS PRECEDENT

The obligations of the Owner and the Development Authority are subject to the approval of this Agreement by both parties.

ARTICLE II - TERMS

This Agreement shall remain effective until all requirements of the Owner's Consent Decree with the United States Environmental Protection Agency have been satisfied as they relate to the e2i2 Project.

ARTICLE III - CAPITALIZED TERMS

Capitalized terms utilized herein shall have the meanings ascribed thereto in this Article II of the Agreement, unless the meanings of such terms have been otherwise specified in a different context. For purposes of this Agreement:

- 2.1. **"Agreement"** has the meaning assigned to such term in the preamble hereto.
- 2.2. **"Development Authority"** has the meaning assigned to such term in the preamble hereto.
- 2.3. **"Effective Date"** has the meaning assigned to such term in the preamble hereto.
- 2.4. **"Facility"** has the meaning assigned to such term in the recitals hereto.

- 2.5. "Force Majeure" means any of the following events that directly impact the Owner's ability to meet the Performance Requirement: flood, earthquake, storm, lightning, fire, or other Acts of God; sabotage or terrorism; pandemic or epidemic.
- 2.6. "Owner" has the meaning assigned to such term in the preamble hereto.
- 2.7. "Parties" has the meaning assigned to such term in the preamble hereto.
- 2.8. "Project Sites" has the meaning assigned to such term in the recitals hereto.
- 2.9. "Start Date" means the Effective Date of this Agreement.

ARTICLE IV - OWNER COMMITMENTS

- 3.1. Owner Commitment. The Waste Resource Division of the City of Chattanooga's Public Works Department will obtain ownership of all the infrastructure constructed in the Project.
- 3.2. The Owner will procure the professional services of a consultant to act as an Owner's Agent to manage the Design-Build of the project.
- 3.3. The Owner and Owner's Agent will be responsible for the following tasks:
 - (a) Planning and preliminary engineering of the Project;
 - (b) Development of a request for proposals, receive and review the submitted proposals, and development a selection committee for the procurement of the design-builder;
 - (c) Development of the design-build agreement for the Project. The design-build agreement will be developed to implement the project in accordance with Exhibit B – Progressive Design-Build Process.
 - (d) Submission of resolutions to the City Council of Chattanooga for authorization;
 - (e) Submission of applications for project funding and coordination with the financing agencies; and
 - (f) Management of the selected Design-Builder including schedule management, progress reporting, workshop attendance, budget management, and approvals of invoices.

ARTICLE V – DEVELOPMENT AUTHORITY COMMITMENTS

- 4.1. Development Authority Commitments. The Industrial Development Board for the City of Chattanooga, Tennessee, will act as the authority described in Tennessee Code Annotated § 12-10-124.

- 4.2. The Development Authority will be responsible for the following tasks:
- (a) Awarding the design-build contract to the selected design-builder; and
 - (b) Receiving the funds from the Owner and distributing funds to the Project as described in Exhibit C – Project Funds Transfer.

ARTICLE VI - MISCELLANEOUS

- 5.1. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee. The Parties agree that they are subject to the exclusive jurisdiction of the courts of Hamilton County, Tennessee, and the Eastern District of Tennessee, in actions that may arise under this Agreement. The Parties acknowledge and agree that the Development Authority is authorized to contract for all services, including construction management services and design-build services for this project by a request-for-proposal process or other public process in accordance with *Tennessee Code Annotated*, § 12-10-124.
- 5.2. **Exhibits.** The Exhibits and attached hereto will be construed to be a part of this Agreement by such reference or other mention at each point at which such reference or other mention occurs, in the same manner and with the same effect as if each Exhibit and Attachment were set forth in full and at length every time it is referred to or otherwise mentioned. In the event of a discrepancy or ambiguity regarding the funds from WIFIA and SRF to the Owner under the loan agreements, the terms of the loan agreements shall govern.
- 5.3. **Severability.** If any one or more of the provisions contained herein will for any reason be held by any court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provision hereof, and this Agreement will be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
- 5.4. **Authorized Signatures.** Each of the individuals executing this Agreement represents that they are authorized to execute this Agreement on behalf of their respective entities.
- 5.5. **Execution in Counterparts.** This Agreement may be executed in any number of counterparts and by-different parties in separate counterparts. Each counterpart when so executed shall be deemed to be an original and all of which together shall constitute one and the same Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have hereunto set their signatures the day and year first written above.

City of Chattanooga, Tennessee

By: _____

Title: _____

Date: _____

**The Industrial Development Board
for the City of Chattanooga, Tennessee**

By: _____

Title: _____

Date: _____

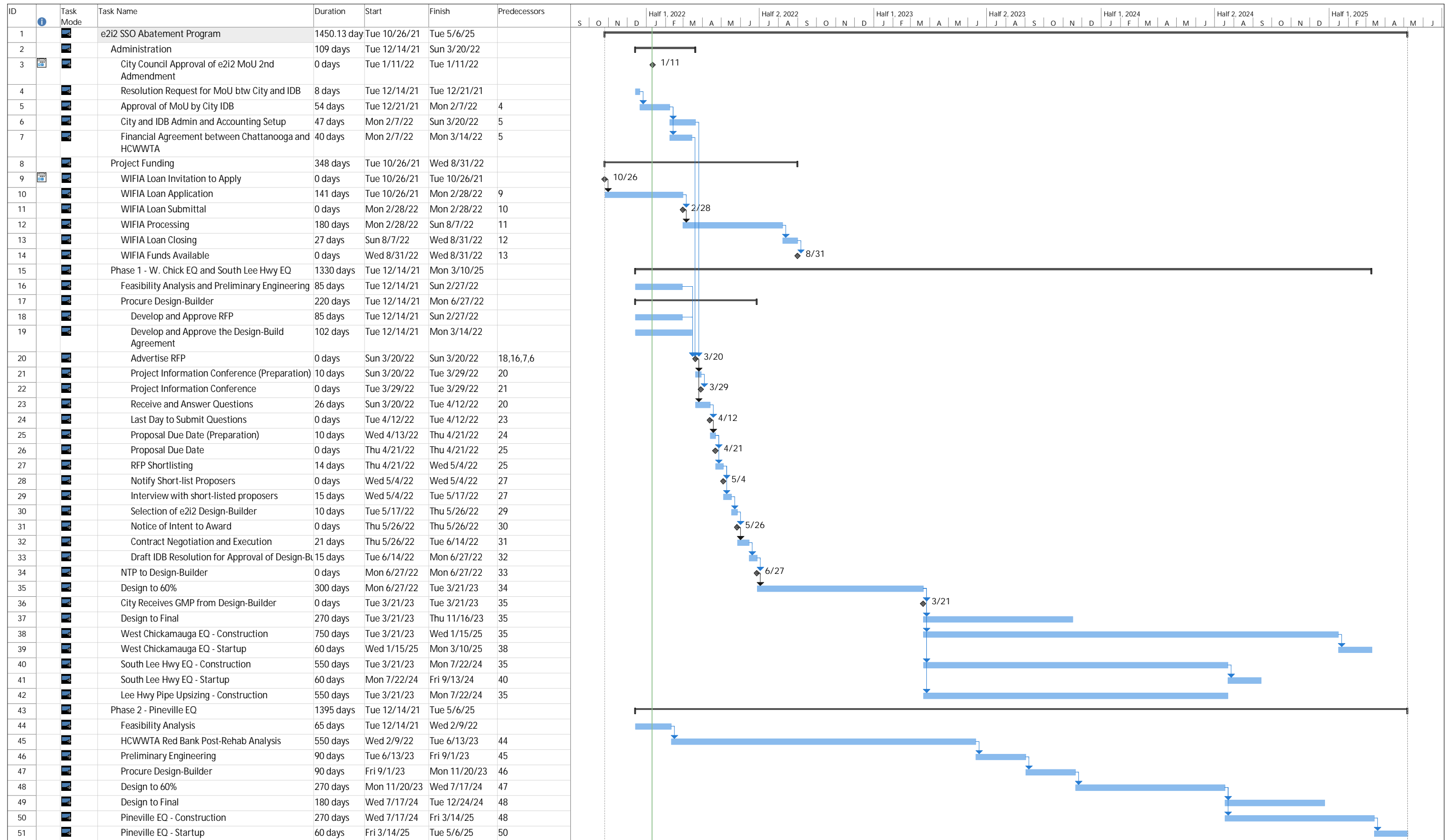


EXHIBIT B

Progressive Design-Build Process

Procure Design-Builder

The Owner will establish criteria to solicit a design-build team for the project. Such criteria will be published on the Owner's procurement website and will include such items as the prospective bidder's:

- licensure/bonding amount
- work history including size of recent projects completed as well as experience
- qualifications of the design-build organization(s)
- collaborative delivery approach
- past performance
- small business enterprise and local preference
- project understanding and delivery
- personnel qualifications and team approach
- oral communication
- costs of design professional services to the Guaranteed Maximum Price (GMP)

The list of items above is not comprehensive and nothing shall preclude the Owner from including any other items it may reasonably deem necessary.

Design

The design of the project will be completed in accordance with the design-builder contract. All Project components will be designed by a professional engineer (P.E.) licensed in the State of Tennessee. A guaranteed maximum price (GMP) will be provided at an interim design milestone. Based on its review of the GMP, it may become more economical to receive construction bids the Project. The Owner reserves the right to deviate from the design-build of the project and solicit construction bids. If the design-build method remains the most economical option, the design-builder will be permitted to begin construction while finalizing the design for the project.

Construction

The construction of the project will be completed as described in the design-builder contract and design documents developed by a licensed professional engineer. Construction will be permitted to begin once the GMP is approved by the Owner.

Startup

Once construction of the Project components is substantially complete, the design-builder will implement the startup of Project components. Once the startup is approved by the Owner, the design-build will provide the Owner with final project operational manuals and allow the Owner to begin operating the Project components.

EXHIBIT C

Funds Transfer Process

1. The Owner receives approval to receive loan financing from the funding agencies.
2. The Owner receives the funds from the funding agencies.
3. The Owner transfers the funds to the Development Authority as approved by the City Council of Chattanooga and the Industrial Development Board.
4. As project tasks are completed, the design-builder will be permitted to invoice the Owner on a monthly basis. The Owner and Owner Agent will review the project invoices and request the associated amount from the Development Authority.
5. The design-builder will invoice the Owner until the scope of the design-builder contract is completed.
6. Any funds that remain after the Project is complete shall be transferred from the Development Authority to the Owner.

RESOLUTION NO. HARDY 2022-001

A RESOLUTION AUTHORIZING THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA TO REIMBURSE THE CITY OF CHATTANOOGA USING TIF LOAN FUNDS FOR EXPENDITURES RELATED TO THE EAST CHATTANOOGA RISING TIF DISTRICT FOR EXPENDITURES OF SIXTY THOUSAND FOUR HUNDRED SIXTY-THREE AND 25/100 DOLLARS (\$60,463.25) FOR ASA ENGINEERING FOR DESIGN AND SURVEY RELATED TO THE HARDY STREET EXTENSION AND ELEVEN THOUSAND TWO HUNDRED DOLLARS (\$11,200.00) TO CHATTANOOGA DESIGN STUDIO FOR ANALYSIS OF EXISTING MARKET CONDITIONS RELATED TO CERTAIN PARCELS AT THE FORMER HARRIET TUBMAN SITE, FOR THE TOTAL AMOUNT OF SEVENTY-ONE THOUSAND SIX HUNDRED SIXTY-THREE AND 25/100 DOLLARS (\$71,663.25).

BE IT RESOLVED that the Industrial Development Board hereby authorizes reimbursement to the City of Chattanooga using TIF loan funds for expenditures related to the East Chattanooga Rising TIF District for expenditures of \$60,463.25 for ASA Engineering for design and survey related to the Hardy Street Extension and \$11,200.00 to Chattanooga Design Studio for analysis of existing market conditions related to certain parcels at the former Harriet Tubman site, for the total amount of \$71,663.25.

ADOPTED: February 7, 2022

INDUSTRIAL DEVELOPMENT BOARD
FOR THE CITY OF CHATTANOOGA,
TENNESSEE

Jimmy F. Rodgers, Jr., *Chair*

Attest:

Patrick Sharpley, *Secretary*

BORROWER'S CERTIFICATE

Request No: 2
Date: February 7, 2022

To: City of Chattanooga
101 E. 11th Street
Chattanooga, TN 37402

Re: Loan evidenced by IDB Tax Increment Revenue Note in the principal amount of \$4,000,000 (the Loan)

You are hereby requested as Lender under the Loan Agreement dated as of November 2, 2020 (the "Loan Agreement"), between the IDB and you, as Lender, to pay, pursuant to Sections 6.2 and 6.3 of the Loan Agreement, to the IDB the following amounts in payment or reimbursement for the following costs:

<u>Payee</u>	<u>Amount</u>	<u>Description of Costs of the Project</u>
ASA Engineering	\$60,463.25	Design Invoices 4-9 and Survey Invoices 2-3, see attached documentation
Chattanooga Design Studio	\$11,200.00	Highest and Best Use Analysis for existing market conditions, see attached documentation

All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Loan Agreement. All representations and statements made herein are for the benefit of the IDB and the other parties related to the Loan and may not be relied upon by third party.

The undersigned hereby states and certifies to the Lender and the IDB that:

1. Each item listed above is a valid cost authorized under the act (as defined in the Loan Agreement) and is a proper eligible improvement costs.
2. These eligible improvement costs have been incurred and are presently due and payable or have been paid and are reasonable costs that are payable or reimbursable under the Loan Agreement.

3. Each item listed above has not been previously been paid or reimbursed and no part thereof has been incurred in any other Borrowing Certificate previously submitted to Lender under the previous of the Loan Agreement.
4. There has not been filed with or served upon the IDB any notice of any lien, right to a lien or attachment upon or claim affecting the right of any person, firm or corporation to receive payment of the amounts stated in this request.
5. No event of default under the Loan Agreement or event which after notice or lapse of time or both would constitute an event of default under the Loan Agreement has occurred and not been waived or cured.
6. An invoice or other appropriate evidence of the obligation described in the requisition is attached.

INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF CHATTANOOGA

By: _____
Jimmy F. Rodgers, Jr.

Chair

Title:

INDUSTRIAL DEVELOPMENT BOARD OF CITY OF CHATTANOOGA
EAST CHATTANOOGA RISING TAX INCREMENT FINANCING (TIF)
DEVELOPER (CITY OF CHATTANOOGA) PROJECT PROGRESS SUMMARY
 As of Jan 6, 2022

Description	Fund Number	Cost Center	Project Number	Final Budget	FY21 Expenditures Jul 2020 - Jun 2021	FY22 Expenditures Jul 2021 - Jun 2022	Expenditures	Encumbrances	Available Budget (Over Expenditures & Encumbrances)	% of Budget Spent and Encumbered
TIF - Planning & Design East Chatt Rising	4024	U20097 (G30029)	C10531	100,000.00	24,105.00	-	24,105.00	-	75,895.00	24.1%
TIF - Hardy St. Extension East Chatt Rising	4024	U20097 (G30030)	C10537	1,750,000.00	92,389.50	9,010.00	101,399.50	1,417,727.15	230,873.35	86.8%
TIF - District Infrastructure East Chatt Rising	4024	U20097 (G30031)	C10530	2,150,000.00	-	-	-	-	2,150,000.00	0.0%
TOTAL				4,000,000.00	116,494.50	9,010.00	125,504.50	1,417,727.15	2,456,768.00	38.6%

List of Payments Made by City of Chattanooga (Fund 4024)

As of Jan 6, 2022

TIF - Planning & Design					
	G30029	U20097	C10531		
<u>Vendor Name</u>	<u>Account</u>	<u>Check Date</u>	<u>Check #</u>	<u>Amount</u>	<u>Approved by IDB</u>
Processed in EBS					
Common Ground Urban Design	704312	8/11/2020	2209615	6,420.00	6/7/21
Common Ground Urban Design	704312	10/13/2020	2211464	6,485.00	6/7/21
Chattanooga Design Studio	704312	6/10/2021	5011868	11,200.00	not yet
			Total	24,105.00	

Processed in Cloud

Total -

Project Total **24,105.00**

TIF - Hardy St. Extension					
	G30030	U20097	C10537		
<u>Vendor Name</u>	<u>Account</u>	<u>Check Date</u>	<u>Check #</u>	<u>Amount</u>	<u>Approved by IDB</u>
Processed in EBS					
Asa Engineering & Consulting Inc	761102	1/19/2021	5010223	5,407.50	6/7/21
Asa Engineering & Consulting Inc	761102	3/11/2021	5010782	18,307.00	6/7/21
Asa Engineering & Consulting Inc	761102	3/23/2021	5010904	7,273.00	6/7/21
Asa Engineering & Consulting Inc	761102	5/13/2021	5011503	9,948.75	6/7/21
Asa Engineering & Consulting Inc	761102	6/8/2021	5011816	9,550.00	not yet
Asa Engineering & Consulting Inc	761102	6/24/2021	5012033	4,911.25	not yet
Asa Engineering & Consulting Inc	761102	8/5/2021	5012427	25,750.00	not yet
Asa Engineering & Consulting Inc	761108	6/10/2021	5011861	712.00	not yet
Asa Engineering & Consulting Inc	761108	8/12/2021	5012444	980.00	not yet
Asa Engineering & Consulting Inc	761102	6/24/2021	5012033	9,550.00	no need, rec'd refund
			Total	92,389.50	

Processed in Cloud

Asa Engineering & Consulting Inc	761102	7/15/2021	30000136	(9,550.00)	refund
Asa Engineering & Consulting Inc	761102	10/25/2021	5101233	6,750.00	not yet
Asa Engineering & Consulting Inc	761102	11/17/2021	5101233	500.00	not yet
Asa Engineering & Consulting Inc	761102	11/17/2021	not yet issued	11,310.00	not yet

Total 9,010.00

Project Total **101,399.50**

TIF - District Infrastructure					
	G30031	U20097	C10530		
<u>Vendor Name</u>	<u>Account</u>	<u>Check Date</u>	<u>Check #</u>	<u>Amount</u>	<u>Approved by IDB</u>
Processed in Cloud					

Project Total -

TOTAL 125,504.50

PROGRESS PAYMENT REQUEST SUBMISSION FORM

TO BE SUBMITTED WITH EACH INVOICE BY PROJECT MANAGER. FORM MUST BE COMPLETED IN FULL FOR PAYMENT ENTRY.

PAY ESTIMATE NUMBER: 2 PERIOD: FROM 4/1/2021 TO 4/30/2021

CONTRACT NUMBER: T-21-002 P.O. NUMBER: 546282-4

INVOICE NUMBER: 2 COST CENTER: G30030.761102

PROJECT NAME: Hardy St Extension Survey Services

VENDOR: ASA Engineering and Consulting Inc
(Contractor/Consultant submitting invoice for payment)

TOTAL INVOICE AMOUNT: \$712.00

RETAINAGE WITHHELD: N/A if not applicable
N/A if not applicable

NET AMOUNT DUE: \$712.00

SIGNATURE: Clay Oliver

PRINT NAME: Clay Oliver DATE: 5/18/2021

TITLE: Engineering Coordinator

DEPARTMENTAL APPROVAL

I certify that the above process payment request form appears to be accurate and is in general compliance with the amount of work completed during the progress payment period.

SIGNATURE: _____

PRINT NAME: Brandon Sutton DATE: _____

TITLE: Transportation Design Manager

Approved Invoice Received 5/12/2021	PM Approved 5/18/2021	EM Approved	Given to Admin	Entry into Oracle
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ENGINEERING & CONSULTING, INC.

City of Chattanooga Public Works
1250 Market Street
Suite 2100
Chattanooga, TN 37402

Invoice number 21-04-0042
Date 04/30/2021

Project 20-0129 HARDY STREET EXTENSION

PO# 546282-4 Survey services through 04/30/2021 for T-21-0002 Hardy Street Extension

Description	Contract Amount	Prior Billed	Current Billed	Percent Complete
Survey	7,100.00	5,407.50	712.50	86.20
Total	7,100.00	5,407.50	712.50	86.20

Invoice total 712.50

Aging Summary

Invoice Number	Invoice Date	Outstanding	Current	Over 30	Over 60	Over 90	Over 120
21-04-0042	04/30/2021	712.50	712.50				
	Total	712.50	712.50	0.00	0.00	0.00	0.00

Recommend for Approval

Clay Oliver 5/18/21

PROGRESS PAYMENT REQUEST SUBMISSION FORM

TO BE SUBMITTED WITH EACH INVOICE BY PROJECT MANAGER, FORM MUST BE COMPLETED IN FULL FOR PAYMENT ENTRY.

PAY ESTIMATE NUMBER: 3 PERIOD: FROM 6/1/2021 TO 6/30/2021

CONTRACT NUMBER: T-21-002 P.O. NUMBER: 546282-4

INVOICE NUMBER: 3 COST CENTER: G30030.761102

PROJECT NAME: Hardy St Extension Survey Services

VENDOR: ASA Engineering and Consulting Inc
(Contractor/Consultant submitting invoice for payment)

TOTAL INVOICE AMOUNT: \$980.00

RETAINAGE WITHHELD: N/A if not applicable
N/A if not applicable

NET AMOUNT DUE: \$980.00

SIGNATURE: Clay Oliver

PRINT NAME: Clay Oliver

DATE: 7/12/2021

TITLE: Engineering Coordinator

DEPARTMENTAL APPROVAL

I certify that the above process payment request form appears to be accurate and is in general compliance with the amount of work completed during the progress payment period.

SIGNATURE: _____

PRINT NAME: Brandon Sutton

DATE: _____

TITLE: Transportation Design Manager

Approved Invoice Received 7/9/2021	PM Approved 7/12/2021	EM Approved	Given to Admin	Entry into Oracle
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ENGINEERING & CONSULTING, INC.

Recommend for Approval
Clay Oliver 7/11/21

City of Chattanooga Public Works
1250 Market Street
Suite 2100
Chattanooga, TN 37402

Invoice number 21-04-0042
Date 04/30/2021

Project 20-0129 HARDY STREET EXTENSION

PO# 546282-4 Survey services through 04/30/2021 for T-21-0002 Hardy Street Extension

Description	Contract Amount	Prior Billed	Current Billed	Percent Complete
Survey	7,100.00	5,407.50	712.50	86.20
Total	7,100.00	5,407.50	712.50	86.20

Invoice total 712.50

Aging Summary

Invoice Number	Invoice Date	Outstanding	Current	Over 30	Over 60	Over 90	Over 120
21-04-0042	04/30/2021	712.50	712.50				
	Total	712.50	712.50	0.00	0.00	0.00	0.00

PROGRESS PAYMENT REQUEST SUBMISSION FORM

TO BE SUBMITTED WITH EACH INVOICE BY PROJECT MANAGER. FORM MUST BE COMPLETED IN FULL FOR PAYMENT ENTRY.

PAY ESTIMATE NUMBER: 4 PERIOD: FROM 4/1/2021 TO 4/30/2021

CONTRACT NUMBER: T-21-002-101 P.O. NUMBER: 559794-1

INVOICE NUMBER: 4 COST CENTER: G30030.761102

PROJECT NAME: Hardy St Extension Landscape Architect Design Services

VENDOR: ASA Engineering and Consulting Inc
(Contractor/Consultant submitting invoice for payment)

TOTAL INVOICE AMOUNT: \$9,550.00

RETAINAGE WITHHELD: N/A if not applicable
N/A if not applicable

NET AMOUNT DUE: \$9,550.00

SIGNATURE: Clay Oliver

PRINT NAME: Clay Oliver DATE: 5/18/2021

TITLE: Engineering Coordinator

DEPARTMENTAL APPROVAL

I certify that the above process payment request form appears to be accurate and is in general compliance with the amount of work completed during the progress payment period.

SIGNATURE: _____

PRINT NAME: Brandon Sutton DATE: _____

TITLE: Transportation Design Manager

Approved Invoice Received 5/12/2021	PM Approved 5/18/2021	EM Approved	Given to Admin	Entry into Oracle
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Recommend for Approval

Clay Oliver 5/18/21

INVOICE

Clay Oliver
 City of Chattanooga
 Department of Transportation
 Suite 2020, Development Resource Center
 1250 Market Street
 Chattanooga, TN 37402

TERM: Net 25
 Due: 06/06/21
 Progress Invoice No.: 4
 Invoice Date: 05/12/21
 Asa Project No.: 20-0129
 Asa Invoice No.: 21-04-0083

Consultant: Asa Engineering and Consulting, Inc.
 Remit to: P.O. Box 108, Chattanooga, TN 37401
 PO#: 55979-4
 Project #: T-21-002-101
 Project Name: Hardy Street Extension Landscape Architect Design Svcs.
 Contract No.: W-16-011-101

Contract Ceiling \$120,676.65

Invoice Period: April 1, 2021 through April 30, 2021

Design Services	Contract Budget Amount	Percent to Date	Amount Billed to Date	Previous Amount Billed	Due this Invoice
Engagement Meeting Support and Site Vi	\$3,507.00	33%	\$1,170.00	\$1,170.00	\$0.00
30% Design Schematics	\$24,410.00	100%	\$24,410.00	\$24,410.00	\$0.00
60% Design Development	\$24,410.00	80%	\$19,498.75	\$9,948.75	\$9,550.00
90-100% Construction Documents	\$32,500.00	0%	\$0.00	\$0.00	\$0.00
Bid and Award	\$4,010.00	0%	\$0.00	\$0.00	\$0.00
Pre-Con and Construction Admin	\$20,414.50	0%	\$0.00	\$0.00	\$0.00
Allowance - Reimbursable Prints	\$500.00	0%	\$0.00	\$0.00	\$0.00
10% Contingency	\$10,925.15	0%	\$0.00	\$0.00	\$0.00
Total Amount Due This Invoice					\$9,550.00

Prior Invoices	\$ 35,528.75
This Invoice	\$ 9,550.00
Payments Received	\$ 25,580.00
Balance on Account	\$ 19,498.75

I hereby attest that, to the best of my knowledge, all charges are true and correct and have not been previously invoiced.

Remit payment to:
 Asa Engineering and Consulting, Inc.
 P.O. Box 108, Chattanooga, TN 37401
 For billing inquiries, please call Christy MacKenzie (423)805-3700

PROGRESS PAYMENT REQUEST SUBMISSION FORM

TO BE SUBMITTED WITH EACH INVOICE BY PROJECT MANAGER. FORM MUST BE COMPLETED IN FULL FOR PAYMENT ENTRY.

PAY ESTIMATE NUMBER: 5 PERIOD: FROM 5/1/2021 TO 5/31/2021

CONTRACT NUMBER: T-21-002-101 P.O. NUMBER: 559794-1

INVOICE NUMBER: 5 COST CENTER: G30030.761102

PROJECT NAME: Hardy St Extension Landscape Architect Design Services

VENDOR: ASA Engineering and Consulting Inc
(Contractor/Consultant submitting invoice for payment)

TOTAL INVOICE AMOUNT: \$4,911.25

RETAINAGE WITHHELD: N/A if not applicable
N/A if not applicable

NET AMOUNT DUE: \$4,911.25

SIGNATURE: Clay Oliver

PRINT NAME: Clay Oliver DATE: 6/14/2021

TITLE: Engineering Coordinator

DEPARTMENTAL APPROVAL

I certify that the above process payment request form appears to be accurate and is in general compliance with the amount of work completed during the progress payment period.

SIGNATURE: _____

PRINT NAME: Brandon Sutton DATE: _____

TITLE: Transportation Design Manager

Approved Invoice Received 6/14/21	PM Approved 6/14/2021	EM Approved	Given to Admin	Entry into Oracle
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ENGINEERING & CONSULTING, INC.

INVOICE

Recommend for Approval

Clay Oliver 6/14/21

Clay Oliver
City of Chattanooga
Department of Transportation
Suite 2020, Development Resource Center
1250 Market Street
Chattanooga, TN 37402

TERM: Net 25
Due: 07/03/21
Progress Invoice No.: 5
Invoice Date: 06/08/21
Asa Project No.: 20-0129
Asa Invoice No.: 21-05-0012

Consultant: Asa Engineering and Consulting, Inc.
Remit to: P.O. Box 108, Chattanooga, TN 37401

Project #: T-21-002-101
Project Name: Hardy Street Extension Landscape Architect Design Svcs.
Contract No.: W-16-011-101

Contract Ceiling \$120,676.65

Invoice Period: **May 1, 2021 through May 31, 2021**

Design Services	Contract Budget Amount	Percent to Date	Amount Billed to Date	Previous Amount Billed	Due this Invoice
Engagement Meeting Support and Site Vi	\$3,507.00	33%	\$1,170.00	\$1,170.00	\$0.00
30% Design Schematics	\$24,410.00	100%	\$24,410.00	\$24,410.00	\$0.00
60% Design Development	\$24,410.00	100%	\$24,410.00	\$19,498.75	\$4,911.25
90-100% Construction Documents	\$32,500.00	0%	\$0.00	\$0.00	\$0.00
Bid and Award	\$4,010.00	0%	\$0.00	\$0.00	\$0.00
Pre-Con and Construction Admin	\$20,414.50	0%	\$0.00	\$0.00	\$0.00
Allowance - Reimbursable Prints	\$500.00	0%	\$0.00	\$0.00	\$0.00
10% Contingency	\$10,925.15	0%	\$0.00	\$0.00	\$0.00
Total Amount Due This Invoice					\$4,911.25

Prior Invoices	\$ 45,078.75
This Invoice	\$ 4,911.25
Payments Received	\$ 35,528.75
Balance on Account	\$ 14,461.25

I hereby attest that, to the best of my knowledge, all charges are true and correct and have not been previously invoiced.

Remit payment to:
Asa Engineering and Consulting, Inc.
P.O. Box 108, Chattanooga, TN 37401
For billing inquiries, please call Christy MacKenzie (423)805-3700

PROGRESS PAYMENT REQUEST SUBMISSION FORM

TO BE SUBMITTED WITH EACH INVOICE BY PROJECT MANAGER. FORM MUST BE COMPLETED IN FULL FOR PAYMENT ENTRY.

PAY ESTIMATE NUMBER: 6 PERIOD: FROM 6/1/2021 TO 6/30/2021

CONTRACT NUMBER: T-21-002-101 P.O. NUMBER: 559794-1

INVOICE NUMBER: 6 COST CENTER: G30030.761102

PROJECT NAME: Hardy St Extension Landscape Architect Design Services

VENDOR: ASA Engineering and Consulting Inc
(Contractor/Consultant submitting invoice for payment)

TOTAL INVOICE AMOUNT: \$25,750.00

RETAINAGE WITHHELD: N/A if not applicable
N/A if not applicable

NET AMOUNT DUE: \$25,750.00

SIGNATURE: Clay Oliver

PRINT NAME: Clay Oliver

DATE: 7/12/2021

TITLE: Engineering Coordinator

DEPARTMENTAL APPROVAL

I certify that the above process payment request form appears to be accurate and is in general compliance with the amount of work completed during the progress payment period.

SIGNATURE: _____

PRINT NAME: Brandon Sutton

DATE: _____

TITLE: Transportation Design Manager

Approved Invoice Received 7/9/2021	PM Approved 7/12/2021	EM Approved	Given to Admin	Entry into Oracle
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Recommend for Approval

Clay Oliver 7/12/21

INVOICE

Clay Oliver
 City of Chattanooga
 Department of Transportation
 Suite 2020, Development Resource Center
 1250 Market Street
 Chattanooga, TN 37402

TERM: Net 25
 Due: 08/03/21
 Progress Invoice No.: 6
 Invoice Date: 07/09/21
 Asa Project No.: 20-0129
 Asa Invoice No.: 21-06-0024

Consultant: Asa Engineering and Consulting, Inc.
 Remit to: P.O. Box 108, Chattanooga, TN 37401

Project #: T-21-002-101
 Project Name: Hardy Street Extension Landscape Architect Design Svcs.
 Contract No.: W-16-011-101

Contract Ceiling \$120,676.65

Invoice Period: **June 1, 2021 through June 30, 2021**

Design Services	Contract Budget Amount	Percent to Date	Amount Billed to Date	Previous Amount Billed	Due this Invoice
Engagement Meeting Support and Site Vi	\$3,507.00	33%	\$1,170.00	\$1,170.00	\$0.00
30% Design Schematics	\$24,410.00	100%	\$24,410.00	\$24,410.00	\$0.00
60% Design Development	\$24,410.00	100%	\$24,410.00	\$24,410.00	\$0.00
90-100% Construction Documents	\$32,500.00	79%	\$25,750.00	\$0.00	\$25,750.00
Bid and Award	\$4,010.00	0%	\$0.00	\$0.00	\$0.00
Pre-Con and Construction Admin	\$20,414.50	0%	\$0.00	\$0.00	\$0.00
Allowance - Reimbursable Prints	\$500.00	0%	\$0.00	\$0.00	\$0.00
10% Contingency	\$10,925.15	0%	\$0.00	\$0.00	\$0.00
Total Amount Due This Invoice					\$25,750.00

Prior Invoices	\$ 49,990.00
This Invoice	\$ 25,750.00
Payments Received	\$ 49,990.00
Balance on Account	\$ 25,750.00

I hereby attest that, to the best of my knowledge, all charges are true and correct and have not been previously invoiced.

Remit payment to:
 Asa Engineering and Consulting, Inc.
 P.O. Box 108, Chattanooga, TN 37401
 For billing inquiries, please call Christy MacKenzie (423)805-3700

PROGRESS PAYMENT REQUEST SUBMISSION FORM

TO BE SUBMITTED WITH EACH INVOICE BY PROJECT MANAGER, FORM MUST BE COMPLETED IN FULL FOR PAYMENT ENTRY.

PAY ESTIMATE NUMBER: 7 PERIOD: FROM 7/1/2021 TO 7/31/2021

CONTRACT NUMBER: T-21-002-101 P.O. NUMBER: 559794-1

INVOICE NUMBER: 7 COST CENTER: C10537 (G30030.761102)

PROJECT NAME: Hardy St Extension Landscape Architect Design Services

VENDOR: ASA Engineering and Consulting Inc
(Contractor/Consultant submitting invoice for payment)

TOTAL INVOICE AMOUNT: \$6,750.00

RETAINAGE WITHHELD: N/A if not applicable
N/A if not applicable

NET AMOUNT DUE: \$6,750.00

SIGNATURE: Clay Oliver

PRINT NAME: Clay Oliver DATE: 10/19/2021

TITLE: Engineering Coordinator

DEPARTMENTAL APPROVAL

I certify that the above process payment request form appears to be accurate and is in general compliance with the amount of work completed during the progress payment period.

SIGNATURE: _____

PRINT NAME: Matt Snyder DATE: _____

TITLE: Engineering Manager

Approved Invoice Received 8/13/2021	PM Approved 10/19/2021	EM Approved	Given to Admin	Entry into Oracle
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Recommend for Approval

Clay Oliver

10/19/21

INVOICE

Clay Oliver
 City of Chattanooga
 Department of Transportation
 Suite 2020, Development Resource Center
 1250 Market Street
 Chattanooga, TN 37402

TERM: Net 25
 Due: 09/07/21
 Progress Invoice No.: 7
 Invoice Date: 08/13/21
 Asa Project No.: 20-0129
 Asa Invoice No.: 21-07-0088

Consultant: Asa Engineering and Consulting, Inc.
 Remit to: P.O. Box 108, Chattanooga, TN 37401

Project #: T-21-002-101
 Project Name: Hardy Street Extension Landscape Architect Design Svcs.
 Contract No.: W-16-011-101

Contract Ceiling \$120,676.65

Invoice Period: **July 1, 2021 through July 31, 2021**

Design Services	Contract Budget Amount	Percent to Date	Amount Billed to Date	Previous Amount Billed	Due this Invoice
Engagement Meeting Support and Site Vi	\$3,507.00	33%	\$1,170.00	\$1,170.00	\$0.00
30% Design Schematics	\$24,410.00	100%	\$24,410.00	\$24,410.00	\$0.00
60% Design Development	\$24,410.00	100%	\$24,410.00	\$24,410.00	\$0.00
90-100% Construction Documents	\$32,500.00	100%	\$32,500.00	\$25,750.00	\$6,750.00
Bid and Award	\$4,010.00	0%	\$0.00	\$0.00	\$0.00
Pre-Con and Construction Admin	\$20,414.50	0%	\$0.00	\$0.00	\$0.00
Allowance - Reimbursable Prints	\$500.00	0%	\$0.00	\$0.00	\$0.00
10% Contingency	\$10,925.15	0%	\$0.00	\$0.00	\$0.00
Total Amount Due This Invoice					\$6,750.00

Prior Invoices	\$ 75,740.00
This Invoice	\$ 6,750.00
Payments Received	\$ 75,740.00
Balance on Account	\$ 6,750.00

I hereby attest that, to the best of my knowledge, all charges are true and correct and have not been previously invoiced.

Remit payment to:
 Asa Engineering and Consulting, Inc.
 P.O. Box 108, Chattanooga, TN 37401
 For billing inquiries, please call Christy MacKenzie (423)805-3700

PROGRESS PAYMENT REQUEST SUBMISSION FORM

TO BE SUBMITTED WITH EACH INVOICE BY PROJECT MANAGER, FORM MUST BE COMPLETED IN FULL FOR PAYMENT ENTRY.

PAY ESTIMATE NUMBER: 8 PERIOD: FROM 8/1/2021 TO 8/31/2021

CONTRACT NUMBER: T-21-002-101 P.O. NUMBER: 559794-1

INVOICE NUMBER: 8 COST CENTER: C10537 (G30030.761102)

PROJECT NAME: Hardy St Extension Landscape Architect Design Services

VENDOR: ASA Engineering and Consulting Inc
(Contractor/Consultant submitting invoice for payment)

TOTAL INVOICE AMOUNT: \$500.00

RETAINAGE WITHHELD: N/A if not applicable
N/A if not applicable

NET AMOUNT DUE: \$500.00

SIGNATURE: Clay Oliver

PRINT NAME: Clay Oliver

DATE: 10/19/2021

TITLE: Engineering Coordinator

DEPARTMENTAL APPROVAL

I certify that the above process payment request form appears to be accurate and is in general compliance with the amount of work completed during the progress payment period.

SIGNATURE: _____

PRINT NAME: Matt Snyder

DATE: _____

TITLE: Engineering Manager

Approved Invoice Received 8/13/2021	PM Approved 10/19/2021	EM Approved	Given to Admin	Entry into Oracle
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Recommend for Approval

Clay Oliver

10/19/21

INVOICE

Clay Oliver
 City of Chattanooga
 Department of Transportation
 Suite 2020, Development Resource Center
 1250 Market Street
 Chattanooga, TN 37402

TERM: Net 25
 Due: 11/09/21
 Progress Invoice No.: 8
 Invoice Date: 10/15/21
 Asa Project No.: 20-0129
 Asa Invoice No.: 21-09-0088

Consultant: Asa Engineering and Consulting, Inc.
 Remit to: P.O. Box 108, Chattanooga, TN 37401

Project #: T-21-002-101
 Project Name: Hardy Street Extension Landscape Architect Design Svcs.
 Contract No.: W-16-011-101

Contract Ceiling \$120,676.65

Invoice Period: **September 1, 2021 through September 30, 2021**

Design Services	Contract Budget Amount	Percent to Date	Amount Billed to Date	Previous Amount Billed	Due this Invoice
Engagement Meeting Support and Site Vi	\$3,507.00	33%	\$1,170.00	\$1,170.00	\$0.00
30% Design Schematics	\$24,410.00	100%	\$24,410.00	\$24,410.00	\$0.00
60% Design Development	\$24,410.00	100%	\$24,410.00	\$24,410.00	\$0.00
90-100% Construction Documents	\$32,500.00	100%	\$32,500.00	\$32,500.00	\$0.00
Bid and Award	\$4,010.00	0%	\$0.00	\$0.00	\$0.00
Pre-Con and Construction Admin	\$20,414.50	0%	\$0.00	\$0.00	\$0.00
Allowance - TDEC Permit Fee	\$500.00	100%	\$500.00	\$0.00	\$500.00
10% Contingency	\$10,925.15	0%	\$0.00	\$0.00	\$0.00
Total Amount Due This Invoice					\$500.00

Prior Invoices	\$ 82,490.00
This Invoice	\$ 500.00
Payments Received	\$ 75,740.00
Balance on Account	\$ 7,250.00

I hereby attest that, to the best of my knowledge, all charges are true and correct and have not been previously invoiced.

Remit payment to:
 Asa Engineering and Consulting, Inc.
 P.O. Box 108, Chattanooga, TN 37401
 For billing inquiries, please call Christy MacKenzie (423)805-3700

PROGRESS PAYMENT REQUEST SUBMISSION FORM

TO BE SUBMITTED WITH EACH INVOICE BY PROJECT MANAGER. FORM MUST BE COMPLETED IN FULL FOR PAYMENT ENTRY.

PAY ESTIMATE NUMBER: 9 PERIOD: FROM 11/1/2021 TO 11/30/2021

CONTRACT NUMBER: T-21-002-101 P.O. NUMBER: 559794-1

INVOICE NUMBER: 9 COST CENTER: C10537 (G30030.761102)

PROJECT NAME: Hardy St Extension Landscape Architect Design Services

VENDOR: ASA Engineering and Consulting Inc
(Contractor/Consultant submitting invoice for payment)

TOTAL INVOICE AMOUNT: \$11,310.00

RETAINAGE WITHHELD: N/A if not applicable
N/A if not applicable

NET AMOUNT DUE: \$11,310.00

SIGNATURE: Clay Oliver

PRINT NAME: Clay Oliver

DATE: 12/15/2021

TITLE: Engineering Coordinator

DEPARTMENTAL APPROVAL

I certify that the above process payment request form appears to be accurate and is in general compliance with the amount of work completed during the progress payment period.

SIGNATURE: _____

PRINT NAME: Matt Snyder

DATE: _____

TITLE: Engineering Manager

Approved Invoice Received 12/15/2021	PM Approved 12/15/2021	EM Approved	Given to Admin	Entry into Oracle
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ENGINEERING & CONSULTING, INC.

Recommend for approval
12/15/21

Clay Oliver

City of Chattanooga Department of Transportation
Clay Oliver
1250 Market Street, Suite 2020
Development Resources Center
Chattanooga, TN 37402

Invoice number 21-11-0088
Date 11/30/2021

Project 20-0129 HARDY STREET EXTENSION

T-21-002-101 Hardy Street Extension Landscape Architect Design Services

Description	Contract Amount	Prior Billed	Current Billed	Percent Complete
Community Engagement Meeting Support & Site Visits	3,507.00	1,170.00	0.00	33.36
30% Design Schematics	24,410.00	24,410.00	0.00	100.00
60% Design Development	24,410.00	24,410.00	0.00	100.00
90-100% Construction Documents	32,500.00	32,500.00	0.00	100.00
Bid & Award	4,010.00	0.00	4,010.00	100.00
Pre-Con and Construction Administration	20,414.50	0.00	7,300.00	35.76
Reimbursable Prints & Permit Fees for Construction	550.00	500.00	0.00	90.91
10% Contingency	10,925.15	0.00	0.00	0.00
Total	120,726.65	82,990.00	11,310.00	78.11

Invoice total 11,310.00

Aging Summary

Invoice Number	Invoice Date	Outstanding	Current	Over 30	Over 60	Over 90	Over 120
21-11-0088	11/30/2021	11,310.00	11,310.00				
	Total	11,310.00	11,310.00	0.00	0.00	0.00	0.00

[Tenn. Code Ann. § 7-53-101](#)

Current through the 2021 Regular and First, Second, and Third Extraordinary Sessions of the 112th General Assembly.

TN - Tennessee Code Annotated > Title 7 Consolidated Governments and Local Governmental Functions and Entities > Local Government Functions > Chapter 53 Industrial Development Corporations > Part 1 General Provisions

7-53-101. Chapter definitions.

As used in this chapter, unless the context otherwise requires:

- (1) “Applicable ad valorem taxes” means any ad valorem taxes that, but for ownership of a project by a corporation, would have been due and payable pursuant to [§§ 67-5-102](#) and [67-5-103](#);
- (2) “Bonds” means bonds, notes, interim certificates or other obligations of a corporation issued pursuant to this chapter;
- (3) “Contracting party” or “other contracting party” means any party to a sale contract or loan agreement except the corporation;
- (4) “Corporation” means any corporation organized pursuant to this chapter;
- (5) “Eligible headquarters facility” means a facility, located in a county with a population in excess of eight hundred thousand (800,000), according to the 2000 federal census or any subsequent federal census, that houses an international, national or regional headquarters facility of an entity that agrees, at a minimum, to make payments to the municipality in lieu of any special assessments or other fees or charges that would be levied on the project pursuant to chapter 84 of this title if the project were privately owned;
- (6) “Enterprise” means the manufacturing, processing, assembling, commercial, service and agricultural operations to be carried on with or otherwise using the facilities of the project;
- (7) “Governing body” means the board or body in which the general legislative powers of the municipality are vested;
- (8) “Lease” includes a lease containing an option to purchase the project for a nominal sum upon payment in full, or provision for payment in full, of all bonds issued in connection with the project and all interest on the bonds and all other expenses in connection with the project, and a lease containing an option to purchase the project at any time, as provided in the lease, upon payment of the purchase price, which shall be sufficient to pay all bonds issued in connection with the project and all interest on the bonds and all other expenses incurred in connection with the project, but which payment may be made in the form of one (1) or more notes, debentures, bonds or other secured or unsecured debt obligations of the lessee providing for timely payments, including, without limitation, interest on the obligations sufficient for

such purposes and delivered to the corporation or to the trustee under the indenture pursuant to which the bonds were issued;

(9) “Loan agreement” means an agreement providing for a corporation to loan the proceeds derived from the issuance of bonds pursuant to this chapter to one (1) or more contracting parties to be used to pay the cost of one (1) or more projects and providing for the repayment of such loan by the other contracting party or parties, and that may provide for such loans to be secured or evidenced by one (1) or more notes, debentures, bonds or other secured or unsecured debt obligations of the contracting party or parties, delivered to the corporation or to the trustee under the indenture pursuant to which the bonds were issued;

(10) “Mayor,” as used in [§ 7-53-314](#), means the chief executive officer of any county having a metropolitan form of government and having a population in excess of five hundred thousand (500,000), according to the 2000 federal census or any subsequent federal census, with respect to which a corporation has been organized;

(11) “Municipality” means any county or incorporated city or town in this state with respect to which a corporation may be organized and in which it is contemplated the corporation will function;

(12) “Payments in lieu of taxes” means any amount negotiated separately from rent in lieu of applicable ad valorem taxes;

(13) “Pollution” means the placing of any noxious or deleterious substances, including noise, in any air or water of or adjacent to the state of Tennessee affecting the physical, chemical or biological properties of any air or waters of or adjacent to the state of Tennessee in a manner and to an extent that renders or is likely to render such air or waters inimical or harmful to the public health, safety or welfare, or to animal, bird or aquatic life, or to the use of such air or waters for domestic, industrial, agricultural or recreational purposes;

(14) “Pollution control facilities” means any equipment, structure or facility or any land and any building, structure, facility or other improvement on the land, or any combination thereof, and all real and personal property deemed necessary therewith having to do with or the end purpose of which is the control, abatement or prevention of water, air, noise or general environmental pollution, including, but not limited to, any air pollution control facility, noise abatement facility, water management facility, waste water collecting systems, waste water treatment works or solid waste disposal facility;

(15) “Project” means all or any part of, or any interest in:

(A) Any land and building, including office building, any facility or other improvement on the land, and all real and personal properties deemed necessary in connection therewith, whether or not now in existence, that shall be suitable for the following or by any combination of two (2) or more thereof:

(i) Any industry for the manufacturing, processing or assembling of any agricultural, mining, or manufactured products;

(ii) Any commercial enterprise in selling, providing, or handling any financial service or in storing, warehousing, distributing or selling any products of agriculture, mining or industry;

(iii) Any undertaking involving the use of ship canals, ports or port facilities, off-street parking facilities, docks or dock facilities, or harbor facilities, or of railroads, monorail or tramway, railway terminals, or railway belt lines and switches;

(iv) All or any part of any office building or buildings for the use of such tenant or tenants as may be determined or authorized by the board of directors of the corporation, including, without limitation, any industrial, commercial, financial or service enterprise, any nonprofit domestic corporation or enterprise now or hereafter organized, whose purpose is the promotion, support and encouragement of either agriculture or commerce in this state or whose purpose is the promoting of the health, welfare and safety of the citizens of the state;

(v) Any office or other public building for any city, county or metropolitan government of the state of Tennessee or any board of public utilities, or any public authority, agency, or instrumentality of the state of Tennessee or of the United States;

(vi) Any buildings, structures and facilities, including the site of the buildings, structure and facilities, machinery, equipment and furnishings, suitable for use by any city, county or metropolitan government of the state of Tennessee or any for profit corporation operating buildings, structures and facilities, including the site of the buildings, structures and facilities, machinery, equipment and furnishings, under contract with any city, county or metropolitan government of the state of Tennessee as health care or related facilities, including, without limitation, hospitals, clinics, nursing homes, research facilities, extended or long-term care facilities, and all buildings, structures and facilities deemed necessary or useful in connection therewith;

(vii) Any nonprofit educational institution in any manner related to or in furtherance of the educational purposes of such institution, including, but not limited to, classroom, laboratory, housing, administrative, physical education, and medical research and treatment facilities;

(viii) Any planetarium or museum;

(ix) Any facilities for any recreation or amusement park, public park or theme park suitable for use by any private corporation or any governmental unit of the state of Tennessee, including the state of Tennessee;

(x) Any multifamily housing facilities to be occupied by persons of low or moderate income, elderly, or handicapped persons as may be determined by the board of directors, which determination shall be conclusive;

(xi)

(a) Any undertaking involving the operation or management of the Job Training Partnership Act program pursuant to [29 U.S.C. § 1501 et seq.](#) [repealed]. It is the legislative intent to include such project in order to increase employment opportunities pursuant to [§ 7-53-102](#);

(b) Subdivision (15)(A)(xi)(a) shall not apply in any county having a population, according to the 1980 federal census or any subsequent federal census of:

not less than
nor more than

14,94015,000

49,40049,500

56,00056,100

74,50074,600

85,72585,825

477,000500,000

(xii) Any land, buildings, structures and facilities, including the site of the building, structure and facilities, machinery, equipment and furnishings that constitute “recovery zone property” as in [§ 1400U-3\(c\) of the Internal Revenue Code of 1986 \(26 U.S.C. § 1400U-3\(c\)\)](#); and

(xiii) Facilities or expenditures paid or incurred for “qualified conservation purposes” as defined in [§ 54D of the Internal Revenue Code of 1986 \(26 U.S.C. § 54D\)](#), in connection with the issuance of “qualified energy conservation bonds”, as defined in [§ 54D of the Internal Revenue Code of 1986 \(26 U.S.C. § 54D\)](#);

(B)

(i) In any municipality in which there has been created a central business improvement district pursuant to chapter 84 of this title, “project” also means any hotel, motel or apartment building located within an area designated by appropriate resolution or ordinance by the municipality as the center-city area; and, in any municipality, “project” also means any hotel, including any conference or convention center facilities related to the hotel, or motel within an area that could provide substantial sources of tax revenues or economic activity to the municipality;

(ii) In counties with a metropolitan form of government, “project” also means any hotel, motel or apartment building located on property owned by or leased from an airport authority created pursuant to title 42, chapter 3 or 4, but this subdivision (15)(B)(ii) shall not apply in any county having a population of not less than one hundred twenty thousand (120,000) nor more than one hundred thirty thousand (130,000), according to the 1970 federal census or any subsequent federal census;

(iii) In the county seat of any county having a population of not less than nineteen thousand six hundred fifty (19,650) or more than nineteen thousand seven hundred fifty (19,750), according to the 1980 federal census or any subsequent federal census, “project” also means the purchase, acquisition, leasing, construction and equipping of hotels, motels, and apartments in any area within the county seat of such county;

(iv) In any municipality in which there is a closed or substantially downsized facility, including, but not limited to, a facility formerly operated by the United States

department of defense or department of energy, “project” also means the purchase, acquisition, leasing, construction and equipping of hotels, motels, conference centers and apartments, on or adjacent to the site of the closed or substantially downsized federal facility;

(v) In any municipality with a population of at least fifteen thousand (15,000) or more, according to the 2010 federal census or any subsequent federal census, located partly within a county having a metropolitan form of government and partly within an adjacent county, “project” also means the purchase, acquisition, leasing, construction, and equipping of hotels and motels within any such municipality’s corporate boundaries;

(C) Pollution control facilities, coal gasification facilities, and energy production facilities, as defined in [§ 7-54-101](#), and any buildings, structures and facilities, including the site of any buildings, structures and facilities, machinery, equipment and furnishings, for the production of electricity, that shall be suitable for use by any person including any public utility whether publicly or privately owned, board of public utilities, public authority, municipality, or agency or instrumentality of the state of Tennessee or the United States, or by any combination of two (2) or more. The board of directors of the corporation shall find, with respect to any office building or any hotel, motel or apartment building financed under this chapter that the acquisition and leasing or sale of such building, or the financing of the building by loan agreement, as the case may be, will develop trade and commerce in and adjacent to the municipality, will contribute to the general welfare and will alleviate conditions of unemployment, and with regard to any apartment building that the construction of an apartment building will increase the quantity of housing available in the municipality, and such finding by the board of directors shall be conclusive;

(D) Land or buildings or other improvements to land or buildings, or any combination thereof, and any breeding stock and machinery or equipment necessary or suitable for use in farming, ranching, the production of agricultural commodities, including the products of agriculture and silviculture, or necessary and suitable for treating, processing, storing or transporting raw agricultural commodities;

(E) A tourism attraction involving an aggregate investment of public and private funds in excess of seventy-five million dollars (\$75,000,000) that is designed to attract tourists to the state, including a cultural or historical site, a museum or visitors center, a recreation or entertainment facility, and all related hotel or hotels, convention center facilities, administrative facilities and offices, mixed use facilities, restaurants and other tourism amenities constructed or acquired as a part of the attraction;

(F) In any municipality in which there has been created a central business improvement district pursuant to chapter 84 of this title, “project” also means any public infrastructure, public improvement, public facilities, or combination thereof, located within an area designated by appropriate resolution or ordinance by the municipality as the center city area, including without limitation, any alleys, auditoriums, bridges, culverts, curbs, drainage systems, including storm water sewers and drains, garages, parks, parking facilities, parkways, playgrounds, plazas, public art, roads, sewers, sidewalks, stadiums, streets, street equipment, tunnels, and viaducts;

(G) Any economic development project as defined in [§ 7-40-103](#);

(H) Land or buildings or other improvements to land or buildings, or any combination thereof, and any machinery or equipment necessary or suitable for use in the production of biofuels, biopower, biochemicals, biomaterials, synthetic fuels and/or petroleum products, or necessary and suitable for treating, processing, storing or transporting raw materials used in such production or in storing and transporting the finished product, intermediate products or co-products;

(I) Any economic development project as defined in the Regional Retail Tourism Development District Act, compiled in chapter 41 of this title; and

(J) In counties recognized by the department of economic and community development as tier 3 or tier 4 counties, incentives pursuant to a program approved by the governing body of the municipality to promote the development of single-family housing;

(16) “Rent” means a charge for use of property, including the lessee's obligation to repay debt issued or assumed by a lessor, or rent implied by the lessee's stated obligation to construct improvements;

(17) “Retail business” means a retail establishment providing general retail sales or services to consumers;

(18) “Revenues” of a project, or derived from a project, include payments under a lease or sale contract and repayments under a loan agreement, or under notes, debentures, bonds and other secured or unsecured debt obligations of a lessee or contracting party delivered as provided in this chapter;

(19) “Sale contract” means a contract providing for the sale of one (1) or more projects to one (1) or more contracting parties and includes a contract providing for payment of the purchase price in one (1) or more installments. If the sale contract permits title to the project to pass to the other contracting party or parties prior to payment in full of the entire purchase price, it shall also provide for the other contracting party or parties to deliver to the corporation or to the trustee under the indenture pursuant to which the bonds were issued one (1) or more notes, debentures, bonds or other secured or unsecured debt obligations of such contracting party or parties providing for timely payments, including, without limitation, interest on the obligations for the balance of the purchase price at or prior to the passage of such title; and

(20) “Waiver” means an agreement that does not require the payment of any payments in lieu of taxes for a period of time.

History

Acts 1955, ch. 210, § 1; 1957, ch. 287, § 1; 1959, ch. 222, § 1; 1961, ch. 285, § 1; 1965, ch. 210, § 1; 1965, ch. 307, § 1; 1965, ch. 344, § 1; 1969, ch. 55, § 1; 1971, ch. 304, § 1; 1971, ch. 357, § 1; 1972, ch. 779, § 1; 1973, ch. 304, § 1; 1974, ch. 587, § 1; 1974, ch. 661, § 1; 1976, ch. 515, § 1; 1978, ch. 739, §§ 1, 2; T.C.A., § 6-2801; Acts 1980, ch. 918, § 1; 1981, ch. 515, §§ 1, 2; 1981, ch. 529, § 1; 1982, ch. 587, § 1; 1982, ch. 841, §§ 1, 2; 1982, ch. 896, §§ 1-3; 1983, ch. 150, § 1; 1985, ch. 67, § 1; [1989, ch. 83, § 1](#);

[1989, ch. 581, §§ 1-4](#); [1995, ch. 364, § 1](#); [1998, ch. 983, § 1](#); [2007, ch. 461, § 5](#); [2007 ch. 524 § 1](#); [2008, ch. 694, § 1](#); [2008, ch. 770, § 2](#); [2009, ch. 180, § 1](#); [2009, ch. 608, § 5](#); [2010, ch. 800, § 1](#); [2011, ch. 420, § 13](#); [2012, ch. 944, § 1](#); [2014, ch. 748, § 1](#); [2014, ch. 962, § 1](#); [2016, ch. 777, § 5](#); [2018, ch. 1064, § 1](#); [2019, ch. 498, § 13](#); [2021, ch. 297, § 2](#).

Annotations

Notes

Compiler's Notes.

For tables of population of Tennessee municipalities, and for U.S. decennial populations of Tennessee counties, see Volume 13 and its supplement.

The Job Training Partnership Act Program, compiled in [29 U.S.C. § 1501 et seq.](#), referred to in this section, was repealed effective July 1, 2000.

[Acts 2008, ch. 770, § 3](#) provided that the act, which added the definition of “mayor,” shall apply to all economic impact plans submitted on or July 1, 2008.

Amendments.

The 2016 added the definitions of “applicable ad valorem taxes”, “payments in lieu of taxes”, “rent”, and “waiver”.

The 2018 amendment, effective October 1, 2018, added the definition of “Retail business”.

The 2019 amendment added (15)(I).

The 2021 amendment added (15)(J).

Effective Dates.

[Acts 2016, ch. 777, § 6.](#) April 12, 2016.

[Acts 2018, ch. 1064, § 3.](#) October 1, 2018.

[Acts 2019, ch. 498, § 15.](#) July 1, 2019.

[Acts 2021, ch. 297, § 3.](#) April 30, 2021.

Case Notes

1. Constitutionality.
2. Scope of Industrial Development Board's Duties.

NOTES TO DECISIONS

1. Constitutionality.

This act is not in violation of [Tenn. Const., art. II, § 17](#) or § 28. [West v. Industrial Development Board, 206 Tenn. 154, 332 S.W.2d 201, 1960 Tenn. LEXIS 355 \(1960\)](#)

Acts 1965, ch. 344, which amended this section by adding “any planetarium and/or museum” to definition of project and whose title referred to the code section amended, did not violate [Tenn. Const., art. II, § 17. Industrial Development Board v. First United States Corp., 219 Tenn. 156, 407 S.W.2d 457, 1966 Tenn. LEXIS 514 \(1966\)](#)

Planetariums and museums were public purposes under [Tenn. Const., art. II, § 28](#) and Acts 1965, ch. 344 adding those terms to definition of “project” in this section did not violate such constitutional provision. [Industrial Development Board v. First United States Corp., 219 Tenn. 156, 407 S.W.2d 457, 1966 Tenn. LEXIS 514 \(1966\)](#)

An inducement contract between the local industrial development corporation and a department store engaged in selling merchandise at retail is covered by this chapter and does not violate [Tenn. Const., art. I, § 8, art. II, § 28 or art. XI, § 8. Small World, Inc. v. Industrial Development Board, 553 S.W.2d 596, 1976 Tenn. App. LEXIS 273 \(Tenn. Ct. App. 1976\)](#)

Because the proposed issuance of industrial revenue bonds to the university is part of a neutral program to benefit education, including that provided by sectarian institutions, and confers at best only an indirect benefit to the school, the issuance of the bonds does not violate the [First Amendment. Steele v. Indus. Dev. Bd. of Metro. Gov't Nashville, 301 F.3d 401, 2002 FED App. 274P, 2002 U.S. App. LEXIS 16375 \(6th Cir. Tenn. 2002\)](#), cert. denied, 537 U.S. 1188, 123 S. Ct. 1254, 154 L. Ed. 2d 1020, 2003 U.S. LEXIS 1120 (2003), cert. denied, 537 U.S. 1188, 123 S. Ct. 1273, 154 L. Ed. 2d 1020, 2003 U.S. LEXIS 1121 (2003)

The nature of the institution is not the relevant inquiry in the special type of aid at issue; the nature of the aid conferred by the tax free revenue bonds is not direct aid, but instead, it is analogous to an indirect financial benefit conferred by a religiously neutral tax or charitable deduction: (1) The funding vehicle is available on a neutral basis; (2) No government funds will be expended, nor does any holder of a bond have recourse against the board or the city in the event of nonpayment; (3) The benefit to be obtained by the university is the same provided to private companies that create identical economic opportunities; (4) The conduit financing advances a clear governmental, secular interest in promoting economic opportunity; and finally, (5) The revenue bond program does not present the perception of government endorsement of religion. [Steele v. Indus. Dev. Bd. of Metro. Gov't Nashville, 301 F.3d 401, 2002 FED App. 274P, 2002 U.S. App. LEXIS 16375 \(6th Cir. Tenn. 2002\)](#), cert. denied, 537 U.S. 1188, 123 S. Ct. 1254, 154 L. Ed. 2d 1020, 2003 U.S. LEXIS 1120 (2003), cert. denied, 537 U.S. 1188, 123 S. Ct. 1273, 154 L. Ed. 2d 1020, 2003 U.S. LEXIS 1121 (2003)

Industrial revenue board's issuance of tax-exempt bonds under [T.C.A. § 7-53-101\(11\)\(A\)\(vii\)](#) (now (15) (A) (vii)) to finance a redevelopment project at a sectarian university did not violate the Establishment Clause because issuance of the bonds did not provide direct aid to the university, but instead was an indirect benefit that was neutrally available and that presented no perception of government endorsement of religion. [Steele v. Indus. Dev. Bd. of Metro. Gov't Nashville, 301 F.3d 401, 2002 FED App. 274P, 2002 U.S. App. LEXIS 16375 \(6th Cir. Tenn. 2002\)](#), cert. denied, 537 U.S. 1188, 123 S. Ct. 1254, 154 L. Ed. 2d 1020, 2003 U.S. LEXIS 1120 (2003), cert. denied, 537 U.S. 1188, 123 S. Ct. 1273, 154 L. Ed. 2d 1020, 2003 U.S. LEXIS 1121 (2003)

2. Scope of Industrial Development Board's Duties.

An industrial development board does not have the duty or the power to inquire into the various municipal or state problems that a project for which it sells the bonds may create. [Yearwood v. Industrial Dev. Bd., 648 S.W.2d 944, 1982 Tenn. App. LEXIS 448 \(Tenn. Ct. App. 1982\)](#)

Opinion Notes

Attorney General Opinions.

Appropriating county tax funds for use by a county industrial development corporation, OAG 92-67, [1992 Tenn. AG LEXIS 65 \(11/23/92\)](#)

Loan by municipality to county industrial development corporation, 93-18, [1993 Tenn. AG LEXIS 18 \(3/4/93\)](#)

OAG

Authority of industrial development corporations to extend existing lease terms but with continuing payment obligation in lieu of taxes, OAG 97-049, [1997 Tenn. AG LEXIS 58 \(4/15/97\)](#)

County approval of industrial development board expenditures, OAG 97-170, [1997 Tenn. AG LEXIS 204 \(12/22/97\)](#)

A “duly qualified elector of the municipality” means a person qualified to vote in an election of the “municipality,” as that term is defined in [T.C.A. § 7-53-101\(10\)](#). Improperly appointed members of boards are generally viewed as de facto officers, and acts of such officers are considered valid. Nevertheless, as a precaution, the board, once all of its members are appropriately appointed, may wish to review the actions taken by the earlier board and vote to ratify, confirm, modify, or reject such actions. OAG 15-72, [2015 Tenn. AG LEXIS 73 \(11/3/2015\)](#).

Research References & Practice Aids

Cross-References.

Allocation plan for private activity bonds, title 9, ch. 20.

Corporate franchise tax, valuation of property, [§ 67-4-2108](#).

Industrial Building Revenue Bond Act, title 7, ch. 37.

Industrial development, title 4, ch. 14.

Industrial parks, title 13, ch. 16, part 2.

Local enterprise zones, title 13, ch. 28, part 2.

Tennessee River four-county port authority as industrial development corporation, [§ 64-4-105](#).

Textbooks.

Tennessee Jurisprudence, 19 Tenn. Juris., Municipal Corporations, § 25; 19 Tenn. Juris., Municipal, State and County Aid, § 2.

TENNESSEE CODE ANNOTATED

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End of Document

[Tenn. Code Ann. § 7-53-302](#)

Current through the 2021 Regular and First, Second, and Third Extraordinary Sessions of the 112th General Assembly.

TN - Tennessee Code Annotated > Title 7 Consolidated Governments and Local Governmental Functions and Entities > Local Government Functions > Chapter 53 Industrial Development Corporations > Part 3 Operation and Powers

7-53-302. Corporate powers — Meetings public.

(a) The corporation has the following powers, together with all powers incidental to such powers or necessary for the performance of those powers, to:

- (1) Have succession by its corporate name for the period specified in the certificate of incorporation, unless sooner dissolved;
- (2) Sue and be sued and prosecute and defend, at law or in equity, in any court having jurisdiction of the subject matter and of the parties;
- (3) Have and use a corporate seal and alter the corporate seal at pleasure;
- (4) Acquire, whether by purchase, exchange, gift, lease, or otherwise, and improve, maintain, equip and furnish one (1) or more projects, including all real and personal properties the board of directors of the corporation may deem necessary in connection with the projects and regardless of whether or not any such projects shall then be in existence; provided, that no hotel, motel or apartment building shall be purchased or otherwise acquired by a corporation under this subdivision (a)(4) after July 1, 1988, except that this proviso shall not affect the development or financing of any project that is located in a center city area or in a central business improvement district and that involves an apartment or residential building, hotel, motel or of any project acquired prior to July 1, 1988, regardless of when such project is completed, nor shall this proviso be construed to impair, limit, abrogate or modify the contractual rights and obligations that any such corporation assumes with the issuance of any bonds, notes or other forms of indebtedness or any other contract, nor shall this proviso apply to any hotel listed in the National Register of Historic Places acquired by the corporation prior to December 31, 1989, nor shall this proviso apply to any hotel that contains conference or convention center facilities containing at least seventy-five thousand square feet (75,000 sq. ft.), nor shall this proviso apply to any hotel or hotels, and related conference, mixed use or convention center facilities, if any, constructed in connection with a project or series of related projects involving an aggregate investment of public and private funds in excess of two hundred million dollars (\$200,000,000), nor shall this proviso apply to any project located in a county having a population greater than nine hundred thousand (900,000), according to the 2010 federal census or any subsequent federal census, nor shall this proviso apply to any project described in [§ 7-53-101\(15\)\(E\)](#);

- (5)** Lease to others one (1) or more projects and charge and collect rent for the projects and terminate any such lease upon the failure of the lessee to comply with any of the obligations of such lease; and include in any such lease, if desired, a provision that the lessee of the projects shall have options to purchase any or all of its projects or that upon payment of all of the indebtedness of the corporation it may lease or convey any or all of its projects to the lessee of the projects with or without consideration, and to enter into amendments to such leases, which amendments, among other things, may provide for extending the terms of such leases, amending or extending any payments in lieu of taxes due under the leases, subject to any applicable limitations provided in [§ 7-53-305\(b\)](#), and amending or extending any rents or other payments due under the leases;
- (6)** Sell to others one (1) or more projects for such payments and upon such terms and conditions as the board of directors of the corporation may deem advisable, in accordance with sale contracts entered into pursuant to this chapter;
- (7)** Enter into loan agreements with others with respect to one (1) or more projects for such payments and upon such terms and conditions as the board of directors of the corporation may deem advisable, in accordance with this chapter;
- (8)** Sell, exchange, donate and convey any or all of its properties, including, without limitation, all or any part of the rents, revenues and receipts of the corporation from its projects, whenever its board of directors shall find any such action to be in furtherance of the purposes for which the corporation was organized;
- (9)** Issue its bonds, and otherwise borrow money from banks or other financial institutions by issuing its notes for the purpose of carrying out any of its powers;
- (10)** Borrow money from a municipality through a loan agreement executed with a municipality for the purpose of carrying out any of its powers;
- (11)** As security for the payment of the principal of and interest on any bonds or notes so issued and any agreements made in connection with the bonds or notes, or to secure any indebtedness or obligations of any lessee of the corporation, mortgage and pledge any or all of its projects or any part or parts of the projects, whether then owned or thereafter acquired, and pledge the revenues and receipts from any projects, or assign and pledge all or any part of its interest in and rights under the leases, sale contracts or loan agreements relating to the projects, including, without limitation, the pledging and/or assignment and pledging of all or any part of the rents, revenues and receipts of any project as security for payment of any bonds or notes of the corporation issued with respect to the project, or any other project or projects of the corporation and any agreements made in connection with the projects, or procure or pledge municipal bond insurance, letters of credit, lines of credit or other liquidity facilities as additional security and liquidity for the bonds or notes;
- (12)** Employ and pay compensation to such employees and agents, including attorneys, as the board of directors shall deem necessary for the business of the corporation; and
- (13)** Exercise all powers expressly given in its certificate of incorporation and establish bylaws and make all rules and regulations not inconsistent with the certificate of incorporation or this chapter, deemed expedient for the management of the corporation's affairs.

(b) The corporation does not have the power to operate any project financed under this chapter as a business or in any manner except as specifically provided in this chapter, nor does it have the power to pledge at any time or in any manner the general credit or taxing power of the municipality except as provided in [§ 7-53-306](#).

(c) Any meeting held by the board of directors for any purpose whatsoever shall be open to the public.

(d) In addition to the powers specified in subsection (a) and upon the adoption of a resolution of the county legislative body, a corporation in any county having a population of over nine hundred thousand (900,000), according to the 2010 federal census or any subsequent federal census:

(1) Has the following powers, together with all powers incidental to such powers or necessary for the performance of those powers, to:

(A) Enter into loan agreements with others with respect to one (1) or more projects or for activities, costs, debt restructuring or working capital associated with projects for such payments or deferrals and upon such terms and conditions as the board of directors of the corporation may deem advisable in accordance with this chapter; and

(B) Sell, exchange, donate, forgive debt, grant and convey any or all of its assets or properties, including, without limitation, all or any part of the rents, revenues and receipts of the corporation from its projects, whenever its board of directors shall find any such action to be in furtherance of the purposes for which the corporation was organized; and

(2) Shall not enter into a loan agreement, accept a note or issue any indebtedness, or otherwise provide financing for working capital that:

(A) Exceeds two hundred fifty thousand dollars (\$250,000) in principal amount to any project or borrower; or

(B) Provides for a term in excess of five (5) years, including any renewals or extensions of such financing.

History

Acts 1955, ch. 210, § 8; 1959, ch. 222, § 3; 1970, ch. 587, §§ 1-3; 1976, ch. 515, § 3; 1978, ch. 739, § 7; T.C.A., § 6-2808; [Acts 1989, ch. 180, § 1](#); [1990, ch. 1089, § 1](#); [1993, ch. 197, § 2](#); [1998, ch. 828, §§ 1-3](#); [2007, ch. 461, § 6](#); [2007, ch. 524, § 2](#); [2009, ch. 84, § 2](#); [2014, ch. 752, § 1](#); [2018, ch. 728, § 1](#); [2020, ch. 722, § 1](#).

Annotations

Notes

Compiler's Notes.

For table of U.S. decennial populations of Tennessee counties, see Volume 13 and its supplement.

Amendments.

The 2018 amendment added “, nor shall this proviso apply to any project located in a county having a population greater than nine hundred thousand (900,000), according to the 2010 federal census or any subsequent federal census” at the end of (a)(4).

The 2020 amendment added “, nor shall this proviso apply to any project described in [§ 7-53-101\(15\)\(E\)](#)” at the end of (a)(4).

Effective Dates.

[Acts 2018, ch. 728, § 2](#), April 18, 2018.

[Acts 2020, ch. 722, § 2](#), June 22, 2020.

Case Notes

NOTES TO DECISIONS

1. Power to Acquire Property.

Trial court properly granted an industrial development corporation's motion to dismiss because nothing in the statutory scheme precluded it from procuring property outside the city's corporate limits to establish an industrial park as a joint venture between the city and the county; pursuant to the Industrial Park Act and the Industrial Development Corporations Act, the city and corporation could purchase or hold property, both within and without the city, for economic development projects. [*Burks v. Savannah Indus. Dev. Corp.*, — S.W.3d —, 2018 Tenn. App. LEXIS 621 \(Tenn. Ct. App. Oct. 24, 2018\)](#)

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Opinion Notes

Attorney General Opinions.

An industrial development corporation lacked statutory authority to establish an incentive loan program to benefit private for-profit entities make a loan unless it was for a “project” as defined and, even if the loan was for a project, it lacked authority to forgive the debt if a certain number of new jobs should be created by the borrower, OAG 03-147, [2003 Tenn. AG LEXIS 169 \(11/17/03\)](#)

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City’s Use of Payments Received Through Industrial Development Corporation to Fund Workforce Training Programs. OAG 15-43, [2015 Tenn. AG LEXIS 66 \(4/30/15\)](#).

Research References & Practice Aids

Cross-References.

Credit against excise tax on corporate earnings, [§ 67-4-2009](#).

Sales and use taxes, title 67, ch. 6.

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[Tenn. Code Ann. § 7-53-303](#)

Current through the 2021 Regular and First, Second, and Third Extraordinary Sessions of the 112th General Assembly.

TN - Tennessee Code Annotated > Title 7 Consolidated Governments and Local Governmental Functions and Entities > Local Government Functions > Chapter 53 Industrial Development Corporations > Part 3 Operation and Powers

7-53-303. Issuance of bonds — Restrictions on payment — Delivery — Additional issues — Redemption.

(a) Except as otherwise expressly provided in this chapter, all bonds issued by the corporation shall be payable solely out of the revenues and receipts derived from the corporation's projects or of any of the projects as may be designated in the proceedings of the board of directors under which the bonds shall be authorized to be issued, including debt obligations of the lessee or contracting party obtained from or in connection with the financing of a project; provided, that notes issued in anticipation of the issuance of bonds may be retired out of the proceeds of such bonds. Such bonds may be executed and delivered by the corporation at any time and from time to time, may be in such form and denominations and of such terms and maturities, may be in registered or bearer form either as to principal or interest, or both, may be payable in such installments and at such time or times not exceeding forty (40) years from the date of execution, may be payable at such place or places whether within or without the state of Tennessee, may bear interest at such rate or rates payable at such time or times and at such place or places and evidenced in such manner, may be executed by such officers of the corporation and may contain such provisions not inconsistent with this chapter, all as shall be provided in the proceedings of the board of directors whereunder the bonds shall be authorized to be issued. If deemed advisable by the board of directors, there may be retained in the proceedings under which any bonds of the corporation are authorized to be issued an option to redeem all or any part of the bonds as may be specified in such proceedings, at such price or prices and after such notice or notices and on such terms and conditions as may be set forth in such proceedings and as may be briefly recited in the face of the bonds, but nothing contained in this subsection (a) shall be construed to confer on the corporation any right or option to redeem any bonds except as may be provided in the proceedings under which they shall be issued. Any bonds of the corporation may be sold at public or private sale in such manner, at such price and from time to time as may be determined by the board of directors of the corporation to be most advantageous, and the corporation may pay all expenses, premiums and commissions the corporation's board of directors may deem necessary or advantageous in connection with the issuance of the bonds. Issuance by the corporation of one (1) or more series of bonds for one (1) or more purposes shall not preclude the corporation from issuing other bonds in connection with the same project or any other project, but the proceedings whereunder any subsequent bonds may be issued shall recognize and protect any prior pledge or mortgage made for any prior issue of bonds. Proceeds of bonds issued by the corporation may be

used for the purpose of constructing, acquiring, reconstructing, improving, equipping, furnishing, bettering, or extending any project or projects, including the payment of interest on the bonds during construction of any such project and for two (2) years after the estimated date of completion, and payment of engineering, fiscal, architectural and legal expenses incurred in connection with such project and the issuance of the bonds, and the establishment of a reasonable reserve fund for the payment of principal of and interest on such bonds in the event of a deficiency in the revenues and receipts available for such payment.

(b) Any bonds or notes of the corporation at any time outstanding may at any time and from time to time be refunded by the corporation by the issuance of its refunding bonds in such amount as the board of directors may deem necessary, but not exceeding the sum of the following:

- (1)** The principal amount of the obligations being refinanced;
- (2)** Applicable redemption premiums on the bonds;
- (3)** Unpaid interest on such obligations to the date of delivery or exchange of the refunding bonds;
- (4)** In the event the proceeds from the sale of the refunding bonds are to be deposited in trust as provided in subdivision (f)(2), interest to accrue on such obligations from the date of delivery to the first or any subsequent available redemption date or dates selected, in its discretion, by the board of directors, or to the date or dates of maturity, whichever shall be determined by the board of directors to be most advantageous or necessary to the corporation;
- (5)** A reasonable reserve for the payment of principal of and interest on such bonds or a renewal and replacement reserve;
- (6)** If the project to be constructed from the proceeds of the obligations being refinanced has not been completed, an amount sufficient to meet the interest charges on the refunding bonds during the construction of such project and for two (2) years after the estimated date of completion, but only to the extent that interest charges have not been capitalized from the proceeds of the obligations being refinanced; and
- (7)** Expenses, premiums and commissions of the corporation, including bond discounts, deemed by the board of directors to be necessary for the issuance of the refunding bonds. A determination by the board of directors that any refinancing is advantageous or necessary to the corporation, or that any of the amounts provided in the preceding sentence should be included in such refinancing, or that any of the obligations to be refinanced should be called for redemption on the first or any subsequent available redemption date or permitted to remain outstanding until their respective dates of maturity, shall be conclusive.

(c) Any such refunding may be effected whether the obligations to be refunded has then matured or thereafter matures, either by the exchange of the refunding bonds for the obligations to be refunded by the refunding bonds with the consent of the holders of the obligations so to be refunded, or by sale of the refunding bonds and the application of the proceeds of the refunding bonds to the payment of the obligations to be refunded by the refunding bonds, and regardless of whether or not the obligations to be refunded were issued in connection with the same projects or separate projects, and regardless of whether or not the obligations proposed to be refunded shall be payable on the same date or different dates or shall be due serially or otherwise.

(d) If, at the time of delivery of the refunding bonds, the obligations to be refunded will not be retired or a valid and timely notice of redemption of the outstanding obligations is not given in accordance with the resolution, indenture or other instrument governing the redemption of the outstanding obligations, then, prior to the issuance of the refunding bonds, the board of directors shall cause to be given a notice of its intention to issue the refunding bonds. The notice shall be given either by mail to the owners of all of the outstanding obligations to be refunded at their addresses shown on the bond registration records for the outstanding obligations or given by publication one (1) time each in the newspaper having a general circulation in the municipality with respect to which the corporation was organized and in a financial newspaper published in New York, New York, having a national circulation. The notice shall set forth the estimated date of delivery of the refunding bonds and identify the obligations, or the individual maturities of the obligations, proposed to be refunded; provided, that if portions of individual maturities are proposed to be refunded, the notice shall identify the maturities subject to partial refunding in the aggregate principal amount to be refunded within each maturity. If the issuance of the refunding bonds does not occur as provided in the notice, the board of directors shall cause notice to be given as provided in this subsection (d). Except as otherwise set forth in this section, the notice required pursuant to this section shall be given whether or not any of the obligations to be refunded are to be called for redemption.

(e) If any of the obligations to be refunded are to be called for redemption, the board of directors shall cause notice of redemption to be given in the manner required by the proceedings authorizing such outstanding obligations.

(f) The principal proceeds from the sale of any refunding bonds shall be applied only as follows, either:

(1) To the immediate payment and retirement of the obligations being refunded; or

(2) To the extent not required for the immediate payment of the obligations being refunded, then such proceeds shall be deposited in trust to provide for the payment and retirement of the obligations being refunded, and to pay any expenses incurred in connection with such refunding, but provision may be made for the pledging and disposition of any surplus, including, without limitation, provision for the pledging of any such surplus to the payment of the principal of and interest on any issue or series of refunding bonds. Money in any such trust fund may be invested in direct obligations of, or obligations the principal of and interest on which are guaranteed by the United States government, or obligations of any agency or instrumentality of the United States government, or in certificates of deposit issued by a bank or trust company located in the state of Tennessee, if such certificates shall be secured by a pledge of any of such obligations having any aggregate market value, exclusive of accrued interest, equal at least to the principal amount of the certificates so secured. Nothing in this subdivision (f)(2) shall be construed as a limitation on the duration of any deposit in trust for the retirement of obligations being refunded but which shall not have matured and which shall not be presently redeemable or, if presently redeemable, shall not have been called for redemption.

(g) All such bonds, refunding bonds and the interest coupons applicable to the bonds are hereby made and shall be construed to be negotiable instruments.

(h) For purposes of calculating the “applicable formula rate” under [§ 47-14-103](#) and the related provisions of title 47, chapter 14, to determine the maximum effective rate applicable to bonds or other obligations designated as “recovery zone facility bonds” pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA), *P.L. 111-5*, the language “four (4) percentage points above the average prime loan rate” in the definition of “formula rate” in [§ 47-14-102](#) shall be replaced with the language “seven (7) percentage points above the average prime loan rate”. This subsection (h) shall apply to any such bonds or other obligations issued by a corporation on or before June 30, 2012, and designated as recovery zone facility bonds for purposes of the American Recovery and Reinvestment Act of 2009.

History

Acts 1955, ch. 210, § 9; 1967, ch. 109, § 1; 1972, ch. 779, § 2; impl. am. Acts 1972, ch. 852, § 12; 1973, ch. 309, § 3; 1976, ch. 515, § 4; 1977, ch. 229, § 1; T.C.A., § 6-2809; Acts 1980, ch. 536, § 2; [1989, ch. 402, § 2](#); [1994, ch. 806, § 3](#); [2010, ch. 1134, § 59](#).

Annotations

Case Notes

NOTES TO DECISIONS

1. Constitutionality.

The issuance of bonds pursuant to this chapter to a developer who has contracted to build a retail store in the city concerned does not violate [Tenn. Const., art. I, § 8](#), since the local retailers are not deprived of any property right. [Small World, Inc. v. Industrial Development Board, 553 S.W.2d 596, 1976 Tenn. App. LEXIS 273 \(Tenn. Ct. App. 1976\)](#)

Since all potential developers have the same right to petition for industrial funds from the local industrial development board pursuant to this chapter, the issuance of bonds to reimburse the construction project of a developer does not benefit a particular individual in violation of [Tenn. Const., art. XI, § 8](#). [Small World, Inc. v. Industrial Development Board, 553 S.W.2d 596, 1976 Tenn. App. LEXIS 273 \(Tenn. Ct. App. 1976\)](#)

Research References & Practice Aids

Cross-References.

Bonds and income therefrom exempt from taxation retroactive to date of issue, [§ 7-53-305](#).

Public entities, information concerning debt obligation issuances, [§ 9-21-134](#).

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[Tenn. Code Ann. § 7-53-304](#)

Current through the 2021 Regular and First, Second, and Third Extraordinary Sessions of the 112th General Assembly.

TN - Tennessee Code Annotated > Title 7 Consolidated Governments and Local Governmental Functions and Entities > Local Government Functions > Chapter 53 Industrial Development Corporations > Part 3 Operation and Powers

7-53-304. Security for payment of bonds — Default — Bondholders' remedies — Maintenance of aggregate listing of debt.

(a) The principal of and interest on any bonds issued by the corporation shall be secured by a pledge of the revenues and receipts out of which the bonds shall be made payable, and may be secured by a mortgage or deed of trust covering all or any part of the projects from which the revenues or receipts so pledged may be derived, including any enlargements of and additions to any such projects thereafter made, or by an assignment and pledge of all or any part of the corporation's interest in and rights under the leases, sale contracts or loan agreements relating to such projects, or any thereof. The resolution under which the bonds are authorized to be issued and any such mortgage or deed of trust may contain any agreements and provisions respecting the maintenance of the projects covered by the resolution, the fixing and collection of rents or payments with respect to any projects or portions of the projects covered by such resolution, mortgage or deed of trust, the creation and maintenance of special funds from such revenues and from the proceeds of such bonds, and the rights and remedies available in the event of default, all as the board of directors shall deem advisable not in conflict with this section. Each pledge, agreement, mortgage and deed of trust made for the benefit or security of any of the bonds of the corporation shall continue effective until the principal of and interest on the bonds for the benefit of which the pledge, agreement, mortgage and deed of trust were made shall have been fully paid. In the event of default in such payment or in any agreements of the corporation made as a part of the contract under which the bonds were issued, whether contained in the proceedings authorizing the bonds or in any mortgage and deed of trust executed as security for the bonds, such payment or agreement may be enforced by suit, mandamus, the appointment of a receiver in equity, or by foreclosure of any such mortgage and deed of trust, or any one (1) or more of such remedies.

(b) The corporation shall maintain an aggregate listing of its current debt, including conduit debt obligations, in accordance with guidelines approved by the state funding board. At the end of each fiscal year, the corporation shall file the listing, and any other information required by the guidelines, with the state funding board. The corporation shall file with the board notice of default on any of its debt obligations within fifteen (15) days of the event. As used in this subsection (b), "conduit debt obligations" means those debt obligations issued by the corporation to provide capital financing for a public or private entity.

History

Acts 1955, ch. 210, § 10; 1976, ch. 515, § 5; T.C.A., § 6-2810; [Acts 2018, ch. 529, § 1](#).

Annotations

Notes

Amendments.

The 2018 amendment added (b).

Effective Dates.

[Acts 2018, ch. 529, § 2](#). March 7, 2018.

Case Notes

NOTES TO DECISIONS

1. Constitutionality.

Where money is borrowed through a bond issue, the payment for which is the sole obligation of the industrial development board, the use of such funds for the purchase of property and the leasing of such property to an industrial lessee, the funds from such lease to be used to pay the bonds, does not constitute using the credit of the city for the aid of person, company, association, or corporation in violation of [Tenn. Const., art. II, § 29](#). [West v. Industrial Development Board, 206 Tenn. 154, 332 S.W.2d 201, 1960 Tenn. LEXIS 355 \(1960\)](#) .

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Tenn. Code Ann. § 7-53-309

Current through the 2021 Regular and First, Second, and Third Extraordinary Sessions of the 112th General Assembly.

TN - Tennessee Code Annotated > Title 7 Consolidated Governments and Local Governmental Functions and Entities > Local Government Functions > Chapter 53 Industrial Development Corporations > Part 3 Operation and Powers

7-53-309. Bonds as legal investments and lawful security.

Bonds issued under the authority of this chapter and secured by a pledge of full faith and credit shall be and are hereby declared to be legal and authorized investments for banks, savings banks, trust companies, savings and loan associations, insurance companies, fiduciaries, trustees, guardians and for all public funds of the state, including, but not limited to, the sinking funds of cities, towns, villages, counties, school districts, or other political corporations, or subdivisions of the state. Such bonds shall be eligible to secure the deposit of any and all public funds of the state, and any and all public funds of cities, towns, villages, counties, school districts or other political corporations or subdivisions of the state, and such bonds shall be lawful and sufficient security for the deposits to the extent of their value when accompanied by all unmatured coupons appertaining to the bonds.

History

Acts 1955, ch. 210, § 17; impl. am. Acts 1978, ch. 708, § 5.25; T.C.A., § 6-2816.

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**BOND TRAINING
FOR INDUSTRIAL
DEVELOPMENT BOARD**

**February 7,
2022**

AGENDA

- **What authority does the IDB have to issue bonds under its Charter and state law?**
- **What state law procedure does the IDB follow for bonds on a project?**
- **What bond rating does the IDB have that might cause a developer to come to the IDB for bonds?**

TENNESSEE BOND AUTHORITY

- Since June 7, 1967, the Industrial Development Board of the City of Chattanooga has been incorporated as a Tennessee industrial development corporation.
- The IDB Charter has always authorized this board to issue bonds for the purpose of carrying out any of its powers and as security for the payment of the principal and interest on any bonds it issues to mortgage and pledge any of its projects and to pledge the revenues and receipts therefrom.

TENNESSEE BOND AUTHORITY

- The IDB is a separate nonprofit Tennessee corporation based upon its Charter and no part of its net earnings remaining after payment of its expenses shall be made the entity other than to the City.
- The Charter requires this board to determine that sufficient provision is made for full payment of expenses, bonds, and other obligations of the corporation and any net earnings of the corporation above those obligations shall be paid to the municipality for which the corporation was organized.

TENNESSEE BOND AUTHORITY

- All financing by the IDB shall require payment of taxes to be paid in the same amounts as would be paid if such business undertakings were privately financed and any taxes if owed are to be distributed to the City and County in the same manner as if the business undertakings were privately financed.
- Municipalities may contribute funds to an eligible industrial development corporation for the purpose of economic development or industrial development or both pursuant to Tenn. Code Ann. 6-54-118.

TENNESSEE BOND AUTHORITY

- The IDB has all powers under Tenn. Code Ann. 7-53-101 to issue bonds, notes, interim certificates or other obligations of a corporation.
- The IDB may enter into a lease and loan agreement with security to provide for payment in full of all bonds issued in connection with the project and all interest on the bonds and all other expenses in connection with the project.
- Bonds can only be issued for “**projects**” which are broadly defined under Tenn. Code Ann. 7-53-101 to include certain office, industrial, commercial enterprises, and certain multifamily housing facilities to be occupied by persons of low or moderate income, elderly, or handicapped persons among other specific listed items.

TENNESSEE BOND AUTHORITY

- The legislature's definition of a “project” is relatively broad and it includes any land and building or other improvement on the land suitable for the following or any combination of two or more thereof:
 - Any commercial enterprise involved in selling, providing, or handling any products of agriculture, mining or industry;
 - Any land for manufacturing or processing;
 - Office buildings; and
 - Any buildings, structures, and facilities suitable for use by city, county or metropolitan government.

TENNESSEE BOND AUTHORITY

- The project definition under Tenn. Code Ann. 7-53-101 includes **pollution control facilities**, “the end purpose of which is the control, abatement, or prevention of water, air, noise or general environmental pollution, **including, but not limited to, any waste water collecting systems, waste water treatment works**” that shall be suitable for use by any person, including any public utility whether publicly or privately-owned, a public authority, municipality, agency, or instrumentality of the State of Tennessee or the United States, or by any combination of two or more.

TENNESSEE BOND AUTHORITY

- This IDB now has nine members based upon a 2021 Charter Amendment which was filed with the Secretary of State by my office and all of our meetings are public.
- All corporate powers are also stated under Tenn. Code Ann. 7-53-302 which include the bond powers stated under our Charter.
- Tenn. Code Ann. 7-53-303 and 7-53-304 provide for how bonds may be issued by the Board, restrictions on payment, delivery, and redemption, security for payment, default, and an aggregate listing of debt that has to be reported to the Comptroller annually.

TENNESSEE BOND AUTHORITY

- Bonds are to be payable solely out of revenues and receipts from board projects. Bonds are to be executed and delivered to a bank payable in installments, plus interest, for a term not exceeding forty (40) years from the date of execution.
- Bonds may be issued with the Board's option to redeem all or any part of the bonds if included in the financing documents.
- Any bonds may be sold at public or private sale at a price deemed advantageous by the Board.
- Bonds may be refunded and retired only after notice to all bondholders.

TENNESSEE BOND AUTHORITY

- Principal and interest on any bonds issued by the IDB is secured by a pledge of the revenues and receipts due the IDB and may be secured by a deed of trust or mortgage.
- The IDB must pass a resolution under which bonds are to be issued and specifying how security and finance payments will be made to provide for payments to the bondholders.
- There also should be provisions for how payments will be made in the event of a default which should be included in the security agreement.

TENNESSEE BOND AUTHORITY

- In 2018, IDBs are now required to maintain an aggregate listing of current debt, including conduit debt obligations like bonds.
- At the end of each fiscal year since this new law became effective, our office has filed a listing with the Comptroller of any outstanding bonds or TIFs.
- We are also required by state law to notify the Comptroller of any default notices we receive on any bond issuances within fifteen (15) days of the event.
- We have not had any defaults since this new law became effective.

TENNESSEE BOND AUTHORITY

- Bonds issued by the IDB under Tenn. Code Ann. 7-53-309 and secured by a pledge of full faith and credit are legal and authorized investments for banks, savings banks, trust companies, savings and loan associations, insurance companies, fiduciaries, trustees, guardians, and for all public funds of the state, including, but not limited to, the sinking funds of cities, towns, villages, counties, school districts, or other political corporations, or subdivisions of the state.
- Such bonds are eligible to secure the deposit of any and all public funds of the state, and any and all public funds of cities, towns, villages, counties, school districts or other political corporations or subdivisions of the state, and such bonds shall be lawful and sufficient security for the deposits to the extent of their value when accompanied by all unmatured coupons pertaining to the bonds.

MOST RECENT IDB BONDS

BlueCross BlueShield	2021	200,000,000	1/1/2028		
2018A IDB Revenue Refunding Bonds - SRC/CDRC (2018A)	2007	31,380,000	10/1/2028		
2018C IDB Revenue Refunding Bonds - SRC/CDRC (2018C)	2010	23,925,000	10/1/2024		
YMCA 2020	2020	2,300,000	12/1/2026		
TOTAL IDB BOND ISSUANCES AS OF 063021		257,605,000		257,605,000	

CITY AND IDB BOND RATINGS

- Chattanooga's bond rating has been certified as AAA, the highest possible rating, by both Fitch and Standard & Poor's. Chattanooga had not received the highest possible credit rating from Fitch Ratings since just prior to the Great Recession (2007), though the city was already rated as AAA by S&P.
- On Nov. 16, the City of Chattanooga sold \$40.6 million of bonds with an interest rate of 0.744570.
- Designated as Series 2021A and Series 2021B bonds, the 10-year notes attracted nine competitive bids - resulting in \$15.1 million in new General Obligation (GO) bonds and \$25.5 million in Refunded GO bonds.

CITY AND IDB BOND RATINGS

- **“This bond rating improves the City’s competitiveness in economic development. The City’s ability to borrow at rates this low allows for substantially better financial positioning and increases opportunities for more successful investments in infrastructure that will make the community more appealing for private investments and drive increased municipal revenues long into the future,” said Charles Wood, Vice President, Economic Development, Chattanooga Area Chamber of Commerce.**

RECENT ETHICS CHANGES FOR IDB

- As of July 1, 2021, each IDB director is required to complete a conflict of interest statement acknowledging that the director has received a copy of Tenn. Code Ann. 12-4-101.
- The statement must include acknowledgements that the director understands the requirement to refrain from voting on matters in which the director is “directly interested” as defined in Tenn. Code Ann. 12-4-101(a)(1).
- Any director is further required to disclose any matter in which the director is “indirectly interested” before voting on the matter which is defined in Tenn. Code Ann. 12-4-101(b).
- The Tennessee Ethics Commission has published a sample conflict of interest statement which must be signed by each IDB director and sent back to the state.

QUESTIONS?

BUCHMAIER
LAW FIRM LLC

CAPITOL CENTER, SUITE 1980
1201 MAIN STREET
COLUMBIA, SC 29201-3200

TELEPHONE: 803-575-0766

WWW.BUCHMAIERLAW.COM

DIPL. JUR. UNIV.
WOLFGANG BUCHMAIER, LL.M.
ATTORNEY & COUNSELLOR AT LAW
RECHTSANWALT
admitted in South Carolina, Louisiana, and Germany

EMAIL: wbuchmaier@buchmaierlaw.com

Thursday, January 27, 2022

FFT Production Systems, Inc.
1097 Highway 101 South Suite D-3
Greer, SC 20651
(864) 469-7789

Volkswagen Group Of America Chattanooga Operations, LLC
8001 Volkswagen Drive
Chattanooga, TN 37416
(423) 582-4444

Industrial Development Board of the City of Chattanooga
100 E 11th ST STE 200
Chattanooga, TN 37402-4288
(423) 643-8250

Re: Notice of Non-Payment

Dear Sirs or Madams,

Enclosed please find a Notice of Nonpayment by I-Con Electric GmbH.

If you have any questions or concerns, please let me know.

Sincerely,



Wolfgang Buchmaier

NOTICE OF NONPAYMENT

TO: FFT Production Systems, Inc.
1097 Highway 101 South Suite D-3
Greer, SC 20651
(as contractor contracting with lessee of real property and/or agent of owner of real property)

Volkswagen Group Of America Chattanooga Operations, LLC
8001 Volkswagen Drive
Chattanooga, TN 37416
(as lessee of real property and/or agent of owner of real property)

And

Industrial Development Board of the City of Chattanooga
100 E 11th ST STE 200
Chattanooga, TN 37402-4288
(as owner of real property)

Pursuant to Tennessee Code Annotated, § 66-11-145, notice is hereby given that I-Con Electric GmbH, Litzelbergstr. 29, 78315 Radolfzell, Germany, has not been paid for certain labor, materials, services, equipment, or machinery it supplied in the installation of production equipment VW316_6 at the VW Plant Chattanooga, New Body Shop, located at 8001 Volkswagen Drive, Chattanooga, TN 37416, Parcel ID 130 001.18.

The amount presently due and owing is € 454,710.75.

The last date labor, materials, services, equipment, or machinery were provided in connection with the improvements was November 12, 2021.

You may send any communication regarding this matter to the following name and address:
Wolfgang Buchmaier, Buchmaier Law Firm LLC, Columbia, SC 29201,
wbuchmaier@buchmaierlaw.com.

On behalf of
I-Con Electric GmbH



Wolfgang Buchmaier
Dated: 1/27/2022