



**INDUSTRIAL DEVELOPMENT BOARD  
SPECIAL MEETING MINUTES**

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

**for  
June 27, 2022  
10:00 AM**

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

Also present were Phillip A. Noblett (Counsel for the Board); Mark Smith (Miller & Martin); Matt Phillips (Access Road, LLC and Rise Partners); Jermaine Freeman (Economic Development); Helen Burns Sharp (ATM); Gail Hart (Real Property); Inga Fricke (McKamey Animal Center); Mike Pare and John Wilson (Times Free Press); Clay Oliver (CDOT); Eleanor Liu (Finance); Brooke Satterfield (Mayor's Office); and Charles Wood (Chattanooga Chamber).

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



**MEETING OF MAY 2, 2022 – MINUTES APPROVAL**

On motion of Mr. Adkins, seconded by Mr. Parker, the minutes of the May 2, 2022, monthly meeting were unanimously approved.



**CHAIRMAN'S REPORT**

Mr. Rodgers stated we did not have a meeting in early June, and we are not having our normal, customary July meeting. This meeting today is in lieu of those two. The next meeting, we will be back to our normal schedule on August 1<sup>st</sup> at 11:00 a.m. instead of today's 10:00 a.m. Mr. Rodgers appreciates the efforts to improve the wording of some of these resolutions to where hopefully the public can more easily understand what is being presented from a standpoint of a little more detail and specifications.

A draft agenda process was passed out to the fellow board members and to the public, however, Mr. Rodgers has not made any adjustments to the draft. It reflects in general what Mr. Rodgers and Ms. Manalla in the City Attorney's office discussed. If anyone has any suggested changes or thoughts to it, please let us know. The intent plan is to enact it effective at the August 1<sup>st</sup> meeting and have it in place. Part of the goal is to make sure the IDB members in general, but also the public, have ample opportunity and notice of what is going on and time to review certain things. Our agenda today, one of the items is 227 pages of attachments. It is not from Mr. Rodgers' experience in the past, we have had some difficulties in getting things thrown on us at the last minute. We are going to try to get things formalized as far as deadlines and process in order to have things heard by the IDB and get that in place.



**PUBLIC COMMENTS**

There was no one wishing to address the Board except Ms. Helen Burns Sharp will speak when her particular item comes up.



**RESOLUTION**

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

**A RESOLUTION RATIFYING THE EXECUTION BY THE CHAIR OF A LETTER DATED MARCH 28, 2022, TO SUPPLEMENT AND AMEND CONTRACT NO. 15328 BETWEEN THE INDUSTRIAL DEVELOPMENT BOARD (GRANTEE) AND THE TENNESSEE VALLEY AUTHORITY (TVA) WHEREBY FUNDING IS BEING USED TO ASSIST WITH ENGINEERING DESIGN, DUE DILIGENCE STUDIES, AND A RAIL YARD FEASIBILITY STUDY ON A 180-ACRE SITE FOR VOLKSWAGEN. (VW(CB)74)**

Mr. Jason Payne stated this is a grant entered into a couple of years back where Chairman Skip Ireland signed off which is a grant to develop with due diligence study for developing some property out at Enterprise South on the corner of Ferdinand Piech Way.

Mr. Noblett stated that this was action taken by the Board in 2020 and initially, Mr. Ireland signed the resolution. At this point, they are getting up to having the engineering design, due diligence studies, and rail yard feasibility study for that tract which is 180 acres next to Volkswagen. That is an issue that needs to have approval. The contract is going on between the IDB and TVA. Funding will be coming for that process by the IDB.

Mr. Rodgers signed the letter on advice of counsel which was authorized by the prior resolution. This is to ratify what has already been done. This is a new board that was not present in 2020.

Mr. Payne stated the reimbursements are coming in for pay back from TVA.

The resolution was unanimously adopted.

**ADOPTED – June 27, 2022**

**RESOLUTION**

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

**A RESOLUTION AUTHORIZING THE CHAIR OR VICE-CHAIR TO EXECUTE ANY AND ALL DOCUMENTS RELATED TO ACCEPTING TENNESSEE SBC PROJECT #170/003-01-2021, GRANT RELATED TO THE ELECTRIC VEHICLE EXPANSION OF THE CHATTANOOGA VOLKSWAGEN FACTORY, IN THE AMOUNT OF FIFTY MILLION DOLLARS (\$50,000,000.00). (VW(CB)75)**

Mr. Payne stated this is related to the expansion that Volkswagen has already completed for electric vehicles. This MOU was entered into with the State several years back that just now came to terms on how to move forward.

Mr. Noblett stated that the IDB is the owner of this property which is the reason the IDB is the grantee during the course of this process. This began when the Enterprise South project began. Some of this property is owned by the IDB and others owned by the City and County. This is IDB property and is the reason why the grant from the State comes to the Board and will be dealt out through the finance process as the requests come in. The IDB will be a recipient of \$50 million.

The resolution was unanimously adopted.

**ADOPTED – June 27, 2022**

**RESOLUTION**

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

**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 THREE THOUSAND FIVE HUNDRED FORTY-THREE AND 25/100 DOLLARS (\$3,543.25) FOR ASA ENGINEERING FOR DESIGN AND RPR SERVICES RELATED TO THE HARDY STREET EXTENSION AND THREE HUNDRED SIXTY THOUSAND TWO HUNDRED SEVENTY-EIGHT DOLLARS (\$360,278.00) TO THOMAS BROTHERS CONSTRUCTION COMPANY FOR SERVICES RELATED TO THE CONSTRUCTION OF THE HARDY STREET EXTENSION, FOR THE TOTAL AMOUNT OF THREE HUNDRED SIXTY-THREE THOUSAND EIGHT HUNDRED TWENTY-ONE AND 25/100 DOLLARS (\$363,821.25). (Hardy 2022-002)**

Mr. Clay Oliver stated that he is the project manager with CDOT. There are four invoices for ASA Engineering, three are design invoices, and one is an RPR invoice which is essentially for construction inspection type of services. The design invoices are more for construction administration for ongoing design services when we have questions in the field that they not particularly addressed. The \$360,278 to Thomas Brothers is for the completion of all of the stormwater infrastructure and also have done all of the mass grading involved in the project.

Mr. Noblett stated that all of these amounts have been billed currently based upon the Tax Increment Financing deal for this project. This money is being forwarded by the City of Chattanooga for this project to the IDB until it is completed and then there will be an increment once the development occurs around that property. Mr. Oliver stated that is what he understands.

The resolution was unanimously adopted.

**ADOPTED – June 27, 2022**

# **PUBLIC HEARING**

## **Tax Increment Financing Economic Impact Plan** **Access Road, LLC's** **North River Commerce Center Project**

### **RESOLUTION**

**A RESOLUTION OF INTENT ACCEPTING THE APPLICATION AND ATTACHMENTS FROM THE APPLICATION REVIEW COMMITTEE AS COMPLETE AND AUTHORIZING SUBMISSION OF THE TAX INCREMENT FINANCING APPLICATION FOR ACCESS ROAD, LLC A/K/A THE NORTH RIVER COMMERCE CENTER PROJECT TO THE CHATTANOOGA CITY COUNCIL AND THE HAMILTON COUNTY COMMISSION FOR CONSIDERATION.**

#### **Introduction**

Mr. Rodgers stated that this resolution seems similar to an item that was on our agenda from the last meeting in May. Mr. Noblett stated that Mr. Freeman is here today to talk about the Tax Increment Financing arrangement. It has been finalized and proposed as to the amount of the property. There have been some changes in the area for the project. There has been information that has been involved as to the extent of the area that would be involved and how much money would actually be done. Also, Mr. Noblett thinks the term of the agreement has been finalized since you saw it the last go round.

#### **Presentation by Mr. Jermaine Freeman (Economic Development)**

Mr. Freeman stated as a reminder that back in the May meeting, the Board received the initial application for a Tax Increment Financing Application from the applicant, Access Road, LLC. The project and application are a reminder for the North River Commerce Center which is the development of an industrial park in the corridor of North Access Road in the Hixson area. What this project calls for is \$102 million of total capital investment with a proposed reimbursement of \$8.7 million for TIF, with capitalized interest not to exceed \$9.9 million.

The creation of the industrial park would create 800,000 square feet of Class A industrial space which is a space and a product we do not have a lot of in Chattanooga and is an opportunity for us as a City to have some additional industrial space that can be used to attract neighboring jobs in the Chattanooga area. The project also calls for the creation of up to approximately 600 direct and full-time jobs and improvements to North Access Road along with some improvements of public infrastructure on the site of Kordsa, which is a company that occupies the former Dupont site.

Mr. Freeman also prepared a staff memo dated June 27, 2022, for the Board and read it into the record as follows:

## **SUMMARY**

City of Chattanooga staff support the recommendation by the Chattanooga Area Chamber of Commerce for the creation of a proposed TIF District for the North River Commerce Center Project. The project aims to see Access Road, LLC undertake a \$102 million capital investment and create approximately 600 full time jobs in an underutilized area that can support much more industry. The Chamber and the administration have concluded that this project also meets the "But For" test, and the City Council - with the adoption of Resolution No. 31115 - confirmed that the proposed improvements to infrastructure were not part of the City of Chattanooga's capital improvement plans.

This project provides an opportunity for infill at the former Dupont industrial site, as the property is long-underutilized from its former days when Dupont operated. When Dupont was in full operation, the site supported thousands of workers every day. Today there are a few hundred workers remaining on this site. The Dupont site itself contains long unused and underutilized large surface parking lots and abandoned athletic fields. Access Road, LLC is also proposing to develop an undeveloped parcel on the other side of North Access Road from the former Dupont site.

This project proposes to create 800,000 square feet of new "Class A" industrial space. As the facilities are constructed, Chattanooga will gain new spaces that can be marketed by the Chattanooga Area Chamber to attract prospective companies in need of this type of space, which can be utilized by a variety of industrial and manufacturing users. Whether those companies are new to the area, or currently operating in Chattanooga but in need of more space for growth, the presence of Class A industrial space in the Chattanooga market will help Chattanooga remain competitive as the city looks to retain and attract companies, jobs, and wages. Developing the former Dupont site as a single large project rather than allowing the area to develop in a fragmented way over time also allows for the creation of a modern, well-designed industrial park rather than individual structures that are created with little regard for the larger character or infrastructure needs in the area.

The TIF District includes parcels that are currently undeveloped. Should these areas be developed at any point over the term of the TIF, the new incremental property taxes that will be generated can also be used to fund and pay for the TIF and retire the TIF faster.

The attached economic analysis estimates this project will yield more than \$140 million of annual economic impact once all buildings have been constructed. The analysis also shows that over the term of the TIF, Hamilton County Schools would receive \$8.2 million of additional revenue. Access Road, LLC has also agreed to donate property that can be used for the creation of a greenway along the Tennessee River.

END OF MEMO



This memo basically summarizes why the Administration supports the project. The TIF District was in the presentation. All of the areas in the purple lines are part of the TIF District as being recommended and called for in the Economic Impact Plan. You will note that there is a small green parcel that is directly to the south of Dupont Park. That parcel in the initial application the Board has received was also included as part of the TIF District, however, in the City Council's resolution that was passed on May 17, 2022, the City Council called for this parcel to be explicitly left out of the TIF District. This parcel is currently leased for the use of the North River Soccer Field, and there was some concern by City Council that having that parcel in the TIF District would encourage the redevelopment of those parcels, and they would lose the soccer fields. The TIF District will exclude that parcel. The overall TIF District was presented and the parcels where the construction would actually happen to the buildings. The parcel along the Tennessee River is also a parcel where the applicant has indicated and agreed to donate property that could be used for the development of the future Greenway.

### Application Process

The application process is a fairly lengthy process. We have struck through all of the items already completed so the applicant already submitted their application to the IDB. We have already reviewed that application and partnership in coordination with the Chamber. The IDB has already accepted the initial application for a resolution of intent to forward it on. The City Council has now seen the application and passed their own resolution of intent which basically says that the improvements that are being asked for are not improvements that the City was intending to take anyway which is why it meets the but-for test because we were not going to do those improvements. As part of the resolution as a reminder, the City Council also explicitly said that they did not want the soccer field parcel included in the TIF District.

The applicant has now submitted its Economic Impact Plan to the IDB, and the Application Review Committee was selected to review the application process. Mr. Charles Wood, who was part of the Application Review Committee is here to speak about the meeting on June 3, 2022. The next step is the public hearing on the TIF to be held at an IDB meeting. After today, the City Council and County Commission will consider the final review and have final consideration of the TIF application. If it is approved by the City Council and County Commission, the IDB will have a chance to weigh in on the Development and Financing Agreement which is the very last step of the TIF process.

Mr. Rodgers stated that he would like to hear from Ms. Helen Burns Sharp before Mr. Charles Wood. Ms. Sharp has taken the time to give some thoughts in advance to the Board, and we normally do not get that kind of thing from the public. Mr. Rodgers would like to recognize Ms. Sharp, and thank her, and give Mr. Wood and any other folks who want to respond to any of the comments she makes, and maybe vice versa. Mr. Rodgers thanked Ms. Sharp for the Tax Increment Financing in Chattanooga she prepared.

### Helen Burns Sharp (ATM)

Ms. Helen Burns Sharp is the founder of a group called Accountability for Taxpayer Money (ATM) which is a public interest advocacy group that focuses on taxpayer incentives, property tax incentives, and government transparency. Ms. Sharp submitted the following key points to the Board for consideration:

#### Key Points

1. This project appears to be a good candidate for tax increment financing.

The applicant wants to create about 800,000 square feet of "class A" industrial space by building four new speculative buildings. Chattanooga lags comparable cities in the southeast in the availability of light industrial space. The applicant's economic impact analysis projects the project could create 600 direct jobs, as well as 700 construction jobs.

The project would take place on both sides of North Access Road near the former Dupont plant. The property has been described as underutilized and aging. TIF funds would be used to replace old or mis-located infrastructure, address stormwater concerns, and improve traffic control and safety for this area.

2. This project presents as excellent opportunity to jump start the North Chickamauga Greenway project.

The city is developing a parks and outdoors plan. It will likely include a greenway along the Tennessee River from Dupont Park towards Chickamauga Dam. The applicant is willing to donate an easement on their riverfront parcel as a community benefit for the TIF project. The city already owns the riverfront property south of the soccer fields at Dupont Park. Kordsa owns the other riverfront property. The city could approach them to see if they would donate or sell an easement. Parks are considered infrastructure in the state TIF statute and thus the costs associated with the greenway could be added to the project and paid for with tax increment funds.

3. The IDB should consider requiring this applicant (or any TIF applicant) to provide a performance bond or insurance to limit public risk.

This is a recommended TIF Rule from MTAS for TIF projects. Cities in Tennessee frequently seek advice from the Municipal Technical Advisory Service on all aspects of city government. The cost of premiums issued in favor of the IDB can be built into the project, MTAS writes:

"The public risks can be high in the initial stages of the project. Ideally, the developer is committed with a development agreement or contract requiring that he undertake certain objectives and commit to spend a fixed amount of money. There are still risks. What if, for example, the project burns as soon as it is constructed, or if the developer goes bankrupt when only the pilings are set? Is the community willing to live with an eyesore funded with public dollars? Insurance or performance bonds may mitigate such losses, but the key is to have this spelled out



in the development agreement and to have the ability for the public agency to take control over the project or select another developer and move to completion. All projects have such risks." (MTAS)

The Development and Financing Agreement is something that has not come to the Board yet but just want to plant the seed from this in case the Board thinks it is a good idea and would like to see it included and maybe it is already planned to be included.

4. The IDB should require the applicant to provide at its expense a Phase I site assessment report for the project and/or plan area, as authorized by the city's adopted TIF policies and procedures. Very likely the applicants already have one. Ms. Sharp believes they have not consummated the purchase is why they have not provided it yet but wanted to make sure that at some point there is a Phase I environmental report submitted to the Board.

#### **Charles Wood (Chattanooga Chamber)**

Mr. Wood will be addressing Items 3 and 4 of Ms. Sharp's comments. The Application Review Committee is made up of five people, including Mr. Wood, as part of the City's TIF policies. The Committee met on Friday, June 3<sup>rd</sup>, in the J.B. Collins Conference Room in the City Council Building. The Committee included the following individuals: (1) Katie Hendrix with Pathway Lending which is a local CFI financing entity; (2) Jennifer Skjellum of UTC College of Business; (3) David Queen is a local CPA and also lives in the Hixson area; and (4) Courtney Watson who is a partner with Chestnut Catalyst Group, an investment advisory firm, as well as Mr. Wood.

The Committee reviewed the Economic Impact Plan that was presented and voted that the Economic Impact Plan was qualified to be considered by the City Council and County Commission approval, as well as with the IDB. The Application Review Committee thought the project was a great project largely due to the potential economic impact, as well as the potential Greenway along the river. A lot of positive feedback during the process and interesting going through that with a group that really is not involved in this kind of work day-to-day.

One thing to keep in mind as part of the project is the risk here which is highly limited basically because the project has developed are backed. The City is not and the County for that matter are not pledging a debt service to fund this project up front but instead the developer is funding the project up front. The risk really lies on the developer from a financial perspective. Is there some risk that something could happen between now and then? Yes, but it is a pretty limited risk from that perspective.

For the Phase I site assessment, Mr. Wood's assumption is no one is going to buy a piece of property like this without going through Phase I, and whether that is something that the IDB and City Council decide they want to have that document, it is up to the Board, but Mr. Wood thinks from a process standpoint for a development that is happening on site like this, is pretty traditional if that makes sense.

Mr. Rodgers asked if the Phase I site assessment has already been done?

**Matt Phillips (President of Access Road, LLC and Rise Partners)**

Mr. Phillips stated that they have a Phase I that has been completed. It was completed by their seller, Invista, and handed to them. They were shocked to find that there was a clean Phase I. The seller went through a Consent Decree with the federal government in order to make this property marketable, so it is very much a public record. Even though it is a public record, the Purchase Agreement with the seller requires some confidentiality. They have asked the seller to give them permission to share that with Mr. Freeman. Mr. Freeman and Mr. Phillips have been talking about this issue and are waiting for that approval because of their agreement with them of confidentiality. As soon as they get their approval, he cannot imagine that they would have an issue because of the Consent Decree process.

Mr. Phillips thanked the Board for the consideration and are very excited about the project. Mr. Freeman and Ms. Sharp have done a great job in highlighting both of what the project is. The key items that were not addressed in prior comments are:

We have talked about the 88 acres, and they are the developer, Access Road, LLC. Access Road is Mr. Phillips, Jeff Smith, and Greg Wilson. They believe that this project is in dire need in Chattanooga. Mr. Phillips has shared some of the stats last time and will do it again. They compare themselves with the City often times with other mid-size cities in the south that are growing like we are growing. Huntsville and Greenville often jump off the page. At the end of 2021, a report was published about the Greenville Metropolitan area. At the end of 2021, Greenville had 7.7 million square feet of Class A industrial under construction. At the end of 2021, according to another report, Huntsville, Alabama, had 3.3 million square feet under construction. Chattanooga currently as we stand, has about 260,000 square feet under construction. We have mountains, we have rivers, it is flat, we have flood plains, and we are in a constrained market. It is very difficult for undevelopable land in our area. We love our natural resources for all its beauty, but it makes people like him -- makes it difficult to find really good sites. A lot of good sites are gone.

About two years ago, they started calling on this piece of property. Their intern at the time, who works with them full-time, called on the ball fields. They called to see if the ball fields could be bought and found out that the current owner was about to sell 88 acres, not just a few acres. When Invista sold to Kordsa, at that time they retained these 88 acres. The 88 acres are made up of ball fields, unused parking lots (pictures of present condition looking towards Access Road), the turnaround looking towards the Kordsa plant, the parking lot could probably use a weed eater, it is not used anymore. It is not a ball field anymore, with graffiti, not what it used to be.

This is the site that is south of Access Road. You would not know it unless you are looking for it because it is behind a chain linked, barbed-wire fence. It has never been utilized for anything. Dupont bought all of this property post World War II, and this road leads to a water treatment facility and water pump that pumps three million gallons of water a day out of the Tennessee River directly into the Kordsa plant. Everything to the east of that (blue and orange) is undeveloped property that has its challenges, but it has never been brought to use.

## **Private Investment and Public Infrastructure**

This is about a \$100 million project with infrastructure north of \$23 million. That is 1,800 layers of feet of sanitary sewer demo; 2,000 linear feet of new sewer being installed; and 1,700 linear feet of extension along North Access Road to get to the parcels mentioned. They have new improvements along Access Road. They will have new turn lanes, deceleration lanes, acceleration lanes, and will have to improve traffic signalization. The traffic signalization works for todays gone by. There are 5,000 to 6,000 employees at shift change, ingress only, egress only, that will all have to change to make Access Road function the way that it should in the area.

They plan to relocate the road that leads to the North River Soccer Complex in order to align with the full access movement at the main entrance of the Kordsa facility and their project. For much safer ingress/egress situation for those folks that use the soccer complex versus coming out right next to the traffic signal where they propose to relocate that road so the people can enter and exit safely. We have removal of a lot of abandoned utilities that they have found. We are sure we will find some more unfortunately, but they have done a lot of exploration (inaudible) storm surges leading to nowhere, utility lines that lead to nowhere from the 70 plus years of infrastructure and equipment ground undocumented. There is a lot of expense associated with that in order to make the site developable. There is 10,000 square feet of stormwater pipe to deal with. Really there is no stormwater quality system that exists today. (inaudible) and getting into treatment before it goes into the river. It was built in a time where those sorts of things were considered. On the 6,000 (sic) linear feet of fiber that runs through the parking lot that feeds Kordsa, will have to be relocated in order that Kordsa continue to operate the way that they are.

The Class A industrial facility – as far as sites that are now occupied by Amazon or FedEx, there really is only one in Chattanooga today. It is the Sai Sai Building, which is a Class A industrial building. The building is in Enterprise off of Bonny Oaks Road near Enterprise South. It was constructed recently, but it is a Class A industrial facility that deals with a certain number of dock doors and a certain clear height. It has structural reinforcement to deal with the type of racking that occurs and fire suppression systems that do not exist in older buildings. They were looking at this. In Chattanooga, the vacancy rate in industrial – if you take out all of the buildings that are functionally obsolete, buildings that are 30-40 plus years old, are vacancy rates at less than one percent. Basically, it does not exist. If you have a building that is functional in Chattanooga, it does not exist. Mr. Wood could probably speak to that when people call on him looking for space, there is very little space to show.

## **Project Benefit**

The project benefit, as others have pointed out, 600 direct jobs are projected and 700 constructions jobs. They have already chosen both their site contractor and general contractor. This is a very complicated job and decided to negotiate that work because of the complexity associated with it. The local site contractor (inaudible) in Marietta, Georgia. These buildings are concrete tilt buildings. It is sort of a specialty where you have to go find those folks that self-perform and their contractor does that. However, they have provided a long list of local subcontractors. They have been asked to give them an opportunity to bid on the project. Their hope is that the subcontractors be primarily local to the extent that they are qualified to work. The buildings themselves are not that complicated when it comes to industrial. It is electrical and

plumbing, and they hope that those sorts of trades come from the local submarket. They have also in the draft of the Development Agreement, which has not been finalized, offered up that there will be a requirement of them to make sure that the local subcontractors have a fair shot to be a part of it.

Ms. Sharp touched on this where they have committed to the City of Chattanooga providing an easement along the 2,200 linear foot parcel that fronts the Tennessee River for a Greenway extension to the North Chick Creek area. Mr. Phillips made a connection with Mr. Martin (Parks Director for Chattanooga). The relocation of the North River Soccer Complex.

With regard to the independent study that was done by the folks at Jackson Younger who projected the taxes created for the development for Hamilton County schools today, the four parcels produce \$16,000 a year going into the Hamilton County School coffers. For post development, they project \$429,000 that would go towards schools. That includes, or takes into account, the money that we set aside for the TIF. As far as the City is concerned, \$36,000 of property taxes are coming from these four parcels and post development \$322,000. Even with the TIF, there is a great economic story from a development perspective.

### **Questions**

Mr. Rodgers thanked Mr. Phillips for his advanced consideration of the construction jobs that go into that and hopefully subcontractors. Mr. Rodgers asked Mr. Phillips if he is opposed to a performance bond or insurance as Ms. Sharp identified in her point #3? Is that something you would support, oppose, or what are your thoughts?

Mr. Phillips thanked Ms. Sharp for her comments. They talked about this in advance. Mr. Phillips believes a performance bond is required of them already so long as they are doing work in the right-of-way, signalization, and road widening, and if that is the case, obviously, it is a requirement. He could be wrong but that is his understanding. There would be no opposition as it relates to that. Mr. Noblett stated that as far as the City is involved, if there is going to be infrastructure improvement to road, sewer, or stormwater, that would normally require some type of performance bond. That is something that could be looked at in the Development Agreement.

Mr. Adkins asked who are all of the property owners right now involved in this project? Mr. Phillips stated that the current property owners is the Invista Company which is a Coke Brothers Company. When they bought the plant from Dupont years ago, operated the plant for a decade, and sold to Kordsa which is a Turkish company, when they sold the plant, Kordsa only wanted the plant and enough parking to serve their 300 plus employees. Invista retained those 88 acres which are shown in the area of Building 100 to 400, plus the Parcel D for future development is the 88 acres that Invista retained. They went under contract to purchase the property about a year ago and have been going through extensive due diligence, environmental geotech, utility due diligence to determine the 70 years of (inaudible coughing) weight underground, but they plan to close on this property September 1<sup>st</sup> after this process that Mr. Freeman discussed is complete.



Mr. Adkins asked if Mr. Phillips had any perspective companies that he thinks will move in? Mr. Phillips stated they are very pleased with the interest on this project. Mr. Woods can speak on this. When industrial occupants or tenants call to find out if they can be a part of the project, often times they need it in 90-120 days. They need it now. It takes a long time to build this project. They know to start construction in September and deliver their first building in the late Summer/early Fall. There is 12 months to get the first building complete. Even though that is the case, it is abnormal in their experience to be working on LOIs. They are working on LOI's and leases that take up half of the first building because the demand is so pent up here in Chattanooga.

Mr. Hayes asked if we know what the CARTA service for this parcel is? Mr. Hayes would be curious to know how public transit is available to the project. Mr. Freeman stated he can find out and e-mail it.

Mr. Payne would note that they serve between downtown and North Gate.

Ms. Jones asked if Mr. Phillips could speak more about the process that the site contractors and general contractors would use for subs? Mr. Phillips stated that most of the site contractors' work is self-performed. They will do all of the grading and utility work themselves. NAPCO and other local contractors is going to do all signalization work, and they are working directly with them on that project. The general contractor will put plans out to bid to local subcontractors, regional subcontractors, and everybody who is on the big list will get the opportunity to bid if they choose. When that comes back, the lowest qualified bidder will be awarded the job. Ms. Jones asked if there will be any considerations for small and minority veterans? Mr. Phillips said sure, they are working with Mr. Freeman, and others to get a list of those folks here locally and making sure that everybody that fits that category had a chance to bid as well.

Mr. Sharpley asked Mr. Phillips since he spoke on the lowest bidder, would that be all of the consideration taken or safety? Mr. Phillips stated no, that is why he likes saying the lowest qualified bidder. They make sure they are qualified first and qualified can mean anything like safety, financial strength, likelihood to perform, is not always the lowest bidder. Mr. Sharpley stated that if it is occupied by the public, it will not serve people involved.

Mr. Rodgers asked Mr. Phillips, what is Kordsa's thoughts on this project? The way Mr. Rodgers hears him describe it, certainly some of the development proposed would impact them. What are their thoughts here, do they support it? Mr. Phillips stated they do support the project. They have met multiple times. They have been a great partner. What they have laid out to them is a lot of varied utilities are running through property that others own today and will own in the future without easement. They have an interest to make sure that is dealt with the right way from a friendly neighbor, and they have been a great neighbor of theirs to help them go through the due diligence process to help dig up old drawings that may or may not correctly document where things are or not. Tommy Johnson is the Facility Manager and has been there since it was Dupont. He has been a great partner. Mr. Wood and Mr. Freeman have all met in their conference room there with their COO who lives in Hixson but commutes back and forth to Turkey. He is a big supporter of this project as well. There were no more comments for Mr. Phillips.

Mr. Freeman thanked the Board for hearing the presentation and for holding the public hearing. The City does not have anything else to add.

Ms. Sharp did not have any follow-up.

**Inga Fricke (Executive Director of McKamey Animal Center)**

Ms. Fricke stated that, of course, they agree that this looks like a wonderful project to help the City and its infrastructure, but Ms. Fricke just wanted to ensure that they are more remise in reminding the Board that there is one property operating. It is not simply an industrial area with soccer parks.

The McKamey Animal Center is located directly across and are the only property that is operating each and every day. Their fields extend basically to the property line of Access Road. They have animals and people out there every day. They have animals and people coming to walk the trails from their facility all the way down to the soccer fields. They are trying to make it more welcoming to the public and make them feel invited to come onto the property to visit with the animals to bring their own animals. They have to be careful as such that they do not have things such as fertilizers or other kinds of poisons or things that could negatively impact their animals or people on their property. As much as they are supportive, they want to make sure that it is not lost that they are there. They are not sure right now what the impacts might be with respect to the construction, noise, dust, excessive traffic, run-off, potentially harmful chemicals, and probably most importantly, is a concern it might deter members of the public from coming out and visiting their facility. While they understand the balance in favor of the workers and the industry coming, they just want to make sure again, they are there, and are a public utility essentially, and it is just very important to them to ensure that they are mindful as we continue to make progress on this particular project. That there are protections that they want to make sure continue to be in place to ensure that they cannot only operate safely for their staff, for the animals, but also for their visitors that are hopefully increased via visitor traffic to their site.

Mr. Rodgers thanked Ms. Fricke for taking the time to point that out and remind the Board.

**Discussion**

Mr. Rodgers asked, to the right (as on the picture), you could almost describe it as a race trac, what piece of property is that? Mr. Freeman stated that is Parcel D. Mr. Rodgers stated just south 100 to the left of 400? Mr. Freeman stated that is the Kordsa property. Mr. Freeman stated that is privately owned by Kordsa which is a company that currently occupies the former Dupont facility. They essentially own that parcel all the way from North Access Road all the way down to the river. That is the water that is pumped from the Tennessee River about three million gallons a day that goes into the plant is then pumped out into the water treatment facility is treated there before it goes back into the Tennessee River.



Mr. Adkins asked if McKamey is located in the 400 block? Mr. Phillips stated that McKamey is just south of Building 300 on the screen at the southeast quadrant of Access Road and Dupont Parkway. Mr. Rodgers asked how much of the property there surrounding McKamey do they have access and use of? He heard them talk about animals. Mr. Phillips stated McKamey, the southeast quadrant of Access Road and Dupont Parkway, McKamey's property is the long rectangular parcel that is in between Dupont Parkway and Dupont Park as it is shown on the screen.

Mr. Rodgers stated we have a proposed resolution, and it is on for the City Council and County Commission for consideration. Mr. Hayes stated this is a point of verification, that is what we are voting on, is to recommend to the legislative bodies that we accept the Economic Impact Plan? Mr. Rodgers stated that the resolution is not to accept as much as it is that the Board -- a resolution and intent accepting the application, and then forwarding it on for their consideration.

After further discussion, a motion was made by Mr. Hayes, seconded by Mr. Parker, and the resolution was unanimously adopted.

**ADOPTED – June 27, 2022**

### OTHER BUSINESS

#### Website

Mr. Rodgers stated that Mr. Hayes and Mr. Floyd have agreed to be on the ad hoc committee. They are making progress. They also understand that they want to try to get it right. We are not in any rush. Mr. Hayes gave a brief status.

Mr. Hayes had a great set of conversations with the City's IT Department. Their staff have been very patient in helping him think through their timing of how they can get a new website constructed. The ball is very much in his court. He volunteered to write some text to get them going for a draft or version of something to look at. As a Board, he has been working on that and looked at some other examples previously talked about in Knoxville and Memphis as examples, in trying to build an outline and do writing around what our eventual Chattanooga IDB website would be in progress. The Administration and the IT Department have been very helpful.

Mr. Freeman is also on the ad hoc committee as well. Mr. Freeman stated that if there is any more information needed from their department, to let him know. Mr. Hayes would like locations of projects. Mr. Rodgers stated that they want, as a Board, to make sure that when they do this new website, it has accurate information. From what he understands right now, the current information available, the PILOT projects are not either a complete or accurate list. We need to make sure that anything new is accurate from the standpoint of PILOTs and TIFs. As we talked about before, we would like to see everything wrapped into one, including this new agenda process, so the public can understand that process -- any policies or Bylaws all wrapped together. Mr. Adkins asked to make it simple.

After further discussion, the meeting adjourned at 11:00 a.m.



PATRICK SHARPLEY, Secretary

APPROVED:



JIMMY F. RODGERS, JR., Chair



Account #: AP100099  
Company #: INDUSTRIAL DEVELOPMENT  
Ad number #: 236666  
PO #:  
Note:

## AFFIDAVIT • STATE OF TENNESSEE • HAMILTON COUNTY

Before me personally appeared Jim Stevens, who being duly sworn that he is the Legal Sales Representative of the CHATTANOOGA TIMES FREE PRESS, and that the Legal Ad of which the attached is a true copy, has been published in the above named newspaper and on the corresponding newspaper website on the following dates, to-wit:

*TFP Times Free Press 06/12/22; TFP TimesFreePress.com 06/12/22*

And that there is due or has been paid the CHATTANOOGA TIMES FREE PRESS for publication the sum of \$314.30. (Includes \$10.00 Affidavit Charge).

Sworn to and subscribed before me this date: 17th day of June, 2022

My Commission Expires 02/28/2023



Chattanooga  
**Times Free Press**

400 EAST 11TH ST  
CHATTANOOGA, TN 37403

**NOTICE OF SPECIAL MONTHLY  
MEETING  
AND NOTICE OF PUBLIC HEARING**

**NOTICE IS HEREBY GIVEN**, that pursuant to T.C.A. § 8-44-101, et seq., as amended, that the Industrial Development Board will conduct its special monthly meeting for June on Monday, June 27, 2022, at 10:00 a.m. in the John P. Franklin, Sr. Council Assembly Room located at 1000 Lindsay Street, Chattanooga, TN 37402.

**NOTICE IS HEREBY GIVEN**, that pursuant to T.C.A. § 7-53-312(g), that the Industrial Development Board of the City of Chattanooga will conduct a public hearing on Monday, June 27, 2022, at 10:00 a.m. in the John P. Franklin, Sr. Council Assembly Room located at 1000 Lindsay Street, Chattanooga, TN 37402, to consider the Economic Impact Plan for Access Road, LLC's request for Tax Increment Financing for a proposed real estate project (the "Project").

The TIF Application will include the following parcels: 119H-A-001.05, 110P-B-001.02, 119H-A-003, 110P-B-001, 119H-A-001, 119H-A-003.02, 119H-A-001.03, and 119H-A-001.04.

There will be consideration at the public hearing of the Economic Impact Plan of the Project and the designation of the proposed Project Area and Plan Area. A map of the project area and plan area is on file and available for inspection at the Department of Economic Development, 101 East 11th Street, 3rd Floor, Chattanooga, Tennessee. The project proposes to provide necessary improvements to North Access Road as well as improvements to public infrastructure along North Access Road.

The Economic Impact Plan for this TIF district is subject to local legislative approval and approval by the State. The Economic Impact Plan proposes that the tax increment generated within the Project Area can be used by Access Road, LLC to cover costs associated with public infrastructure for the duration of the Economic Impact Plan's term, which in no case shall exceed twenty (20) years. The Economic Impact Plan proposes that the tax increment generated within the Plan Area can be used by the Industrial Development Board to cover all statutorily approved uses and public infrastructure upgrades. The Project is defined as an industrial project which includes significant public roadway/infrastructure improvements along North Access Road ("N. Access Rd.") as well as future development and infrastructure within the TIF district as determined by the IDB. The Plan area, inclusive of the Project Area, is an eight (8) parcel area that is approximately four hundred sixty (460) acres.

The costs that may be covered with TIF increment can include, but may not be limited to, substantial public infrastructure, including road upgrades and site improvements along N. Access Rd. as referenced above as well as costs associated with future site improvements and public infrastructure costs within the TIF district.

All interested persons or affected property owners are invited to attend and express their views or send written comments prior to the date of hearing to Phillip A. Noblett, Attorney for the Board, 100 East 11th Street, Suite 200, Chattanooga, TN 37402, (telephone (423) 643-8250).

Questions or comments may also be addressed to Jermaine Freeman, Interim Administrator of Economic Development, at (423) 643-7821 or [jfreeman@chattanooga.gov](mailto:jfreeman@chattanooga.gov).