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From: Crownover Shirley
Sent: Wednesday, March 25, 1998 2:26 PM
Subject: 3/24/98

BUDGET AND FINANCE COMMITTEE

March 24, 1998

4:30 P.M.

The meeting of the Budget and Finance Committee was called to order by Chairman Hakeem, with Councilpersons Hurley, Taylor, Swafford, Crockett, and Pierce being present. Councilman Lively joined the meeting later. City Attorneys Randall Nelson and Mike McMahan; Management Analyst Randy Burns; and Shirley Crownover, Assistant Clerk to the Council, were also present.

Others present included Adm. Marcellis, Chief Coppinger, Mayor Kinsey, Adm. McDonald, Adm. Boney, and Adm. Traughber.

BOND RESOLUTION AND COOLIDGE PARK PROJECT

Adm. Boney explained that there was a Resolution on tonight's agenda amending the Resolution dealing with the General Obligation Refunding Bonds. He explained that last week we were considering the "callable" feature and went into an explanation of this. He explained that we were foregoing the current refunding--that the interest rate was so attractive that we had agreed to the "non-callable" feature.

Councilwoman Hurley questioned if we got the same rate whether it was "callable" or not, and the answer was yes.

Adm. Boney stated that in regards to the Coolidge Park Project there were numerous grants from Foundations which were not previously appropriated; that we were reallocating City and County money, and this was not on the agenda tonight, and he would like the Council to consider adding it. On motion of Councilwoman Rutherford, seconded by Councilman Taylor, this will be added to the agenda.

FIRE DEPARTMENT BUDGET CHANGE

Mayor Kinsey explained that this involved the Management Structure and could really go on next week's agenda. He stated that Chief Coppinger had prepared to do this last week, and he (Mayor Kinsey) was out of town and asked to be present for this. He stated the entire Fire Dept. Staff had reviewed the changes--that eight new positions would be added, and three of them would be Arson Investigators; that investigators were once paid by the Fire Dept., and then it was transferred to the Police Dept. and now it was back in the Fire Dept. again. He stated there would be two additional instructors for training; that three added positions are Operations Chief, Resources Chief, and Training Chief. He explained that in the past we had not had a Management Staff to do planning and this amendment would go a long way in meeting these needs. He stated he or Chief Coppinger would be glad to answer any questions--that \$300,000 was the total cost on an ongoing basis.

Councilman Pierce asked if the new Planning Staff would come with a price--if they would figure out how to spend more money? Mayor Kinsey stated that his philosophy was that a good planner tries to find the best use for the resources we already have.

Councilman Taylor asked if the \$300,000 per year was in salaries alone.

Chairman Hakeem asked if we wanted to get this on the agenda tonight or next week. Councilwoman Hurley suggested putting it on tonight. Councilman Pierce suggested putting it on next week as it creates a hardship for the Council Staff sometimes when things are put on at the last minute. He made the motion to put this on next week's agenda. This was seconded by Councilwoman Rutherford.

VAAP ANNEXATION

Mayor Kinsey stated that it had been suggested to discuss this at a committee meeting; that he thought it was the appropriate time for this annexation; that the Council was probably more familiar with this than he was; that over the last couple of months he had gotten excited about things happening so quickly--that the Army had given this land to GSA and GSA was good to deal with concerning land, and could be in charge before the end of this year. He stated he could see good prospects developing, and he thought the time was here for this; that this was 7,000 acres bounded by the Interstate and a wonderful opportunity.

Councilwoman Rutherford asked why now and not six months later. Mayor Kinsey responded that perhaps it could wait, but he felt the sooner the better, and we don't lose anything by doing this. He stated there would be no residents involved. Councilwoman Rutherford asked if the County would still build the road there, and Mayor Kinsey responded "yes". She asked if we would bear any responsibility for environmental clean-up, and the answer was "no". Mayor Kinsey stated we would be taking on no liability other than services of the City, and there are no residents; that as things happen, he would feel better with it being in the City right now.

Councilwoman Hurley stated that before it is developed, it would be

better to have it in our possession; that it might be developed, and then they would not want to be in the City; that we need to have it ready.

Mayor Kinsey stated that many from the City and County had been working on this, and we need a Zoning Plan. Councilwoman Hurley agreed that we need some influence over the development. Councilwoman Rutherford stated that she wanted to be sure the County fulfills their commitments.

Mayor Kinsey assured Councilwoman Rutherford that the County was committed to doing the road.

Councilman Pierce stated this was part of the Sales Tax Agreement, and it was incumbent on us to do it. Mayor Kinsey stated that at this point we were not spending any money.

On motion of Councilman Crockett, seconded by Councilman Taylor, this annexation will be recommended to the full Council.

ACKNOWLEDGMENTS FOR HOUSING DEVELOPMENT

Chairman Hakeem stated that there was one item asking for an Acknowledgment for a company's desire to do housing development or a complex in the City; that Adm. Traugher had researched this and had some background information.

Adm. Traugher stated that he had only researched what the Council discussed last week; that there had been CNE and community meetings; that companies were asking us to pass Resolutions of Acknowledgment; that the first request was for a Resolution of Support and Endorsement; that his advice was that to endorse would not be appropriate; that later in the week they were asking for Resolutions of Acknowledgment; that the decision was made to deal with the three requests before the Council, and the Chairman of the Council made the decision to put all of the requests on the Agenda and let the Council deem what is appropriate. He stated that two developers were asking for the same location. He stated he had only spoken to two persons--that they wanted City-owned property, and they had met with the County and they had agreed on an Option or Sales Agreement. He stated he was familiar with the Lawler-Wood, LLC situation; that he was not familiar with what the Marlow Group wanted--that it was a site in the Southside Development; that he understood if there were people present tonight that they could speak to this, and this could lead to a policy being recommended. He stated he had talked to Lee Ferguson about this--that one of the things was timing; that in the past the Mayor's Office had sent a letter to acknowledge but now the companies wanted it endorsed by Council action.

Attorney McMahan explained that the timing was such that the

developers had to have this in by March 30th to get points for acknowledgment of local government. He stated we don't know if any of these will be approved, but if they are, we will get the benefit of low-market housing in areas where it is needed.

Adm. Traugher added that CNE was not applying for tax credits this year.

Chairman Hakeem asked if we would hear all on the list or just specific ones. Councilwoman Hurley pointed out there are five on the list; that they had contacted someone. Adm. Traugher explained that Chairman Swafford had made the change to put all on the agenda.

Attorney McMahan stated that they did not tell people to be present.

Councilman Taylor noted that there was a person here regarding Stringer's Ridge; that we had no information at all and no knowledge.

Councilman Crockett asked that it be repeated again the locations where they are and whether the Council action being asked is an endorsement or an acknowledgment. Attorney McMahan indicated that the language was just to acknowledge the name of the developer.

Chairman Hakeem questioned if we have detailed information. Attorney McMahan stated that we have the locations.

Councilman Crockett asked if the Council would have to decide if they had met the minimum criteria and asked if we knew the number of units.

Attorney McMahan indication that the number of units was in the Resolutions.

Mr. Burns attempted to show Councilman Crockett the information in the Resolutions; however Councilman Crockett stated that he just wanted Attorney McMahan to confirm this to him--that he could "see" it, but he wanted Attorney McMahan to "say" it; that he wanted it clear that the Council's action is in no way an endorsement. Attorney McMahan confirmed that it was an acknowledgment; that if the Council did not acknowledge them, the developers would not get their points.

Councilman Pierce stated that we set some guidelines last week for the three applications we had and debated at the time to make a decision on the three; now we were talking about six sites. He questioned how we could acknowledge something we don't know anything about. He questioned if we had their proposals in writing; that this was coming on a fast-track; that we want affordable housing but questioned if we were endorsing something we know nothing about. He asked if the developers could re-use the points.

Adm. Traugber explained that the points work on a matrix system; that the proposals are gone through in real detail by the State, and stated he was not sure of how many points they needed, but thought it was 445; that they got only 20 points for this action.

Councilwoman Rutherford asked if we don't listen to all six, will we be putting Chattanooga at a disadvantage to housing for the poor. Adm. Traugher responded "yes"--that if we do address this, it is not saying they will come to Chattanooga, but if we don't address them, then they surely will not come to Chattanooga.

Councilwoman Hurley stated we were not endorsing one over the other but just giving acknowledgment, and they would have to go through the Zoning Process.

Councilwoman Rutherford moved that the Council listen to all of them.

Councilman Crockett questioned if the zoning would have to come to the Council on these particular ones or if they were already zoned correctly. Chairman Hakeem stated that in some cases the zoning would have to be changed.

Councilwoman Hurley questioned if the appropriateness of the Project was defined by the Council. Councilman Crockett asked if we support and acknowledge, if they would have to come before the Council for zoning. Attorney McMahan stated that we did not know this.

The question was raised as to whether this was a State-wide pool, and Adm. Traugher stated he did not know. It was noted that this would encourage affordable housing in Chattanooga but that the State would determine which are the best ones. Councilman Crockett questioned if when they made their selections, it would be quality affordable housing.

Chairman Hakeem stated it had been made clear for the Council to hear all of them.

Councilman Crockett seconded the motion made earlier by Councilwoman Rutherford to listen to all of them. Councilman Pierce abstained.

The meeting adjourned at 5:15 P.M.