

## **ECONOMIC DEVELOPMENT COMMITTEE**

**June 16, 2009**

**4:15 P.M.**

Councilwoman Scott, Chairman, called the meeting of the Economic Development Committee to order, with Councilmen Rico, Ladd, Berz, Murphy, McGary and Gilbert present. Councilman Benson joined the meeting later. City Attorney Michael McMahan and Shirley Crownover, Assistant Clerk to the Council, were also present.

Others present included Dan Johnson, Donna Kelley, and Daisy Madison.

### **CHATTEM PILOT**

Chairman Scott turned the meeting over to Steve Hiatt, with the Chamber. He introduced those present. (Ms. Crownover was out of the room at this time).

Mr. Hiatt stated that he would give a brief overview—that this was really exciting and was the largest expansion that Chattem had experienced being an 82,000 sq. ft. building on Broad Street, which was the old Double Cola property. They are investing \$35.5 million dollars in the new building, which will bottle ACT mouthwash. They will add 60-70 new jobs at \$29,000 annually before the benefit package. This will be an 8-year PILOT, and Chattem will pay the school tax.

**Mr. Zan Guerry** was present to speak for Chattem. He stated that he was pleased to be back after being here in December; that he saw four new faces on the Council. He mentioned a \$7.5 million dollar equipment expense, stating all 33 jobs had been filled. He went on to say that ACT was a big deal for them; that this was “big” time, mentioning the big three—IcyHot, Gold Bond, and ACT. He noted that ACT was bigger than SCOPE, reiterating that it was “big” for them. He stated that it was a pleasure to be here—that he loved working in this community, mentioning working with the “Big Spring Fling”, UTC, the Library, Siskins, and United Way. He stated that they would continue to be a part of the neighborhood as their numbers got larger. He recognized Bob Bosworth, who was President of Chattem, stating that he (Zan Guerry) was the “market guy”.

**Mr. Bosworth** spoke next, stating that this was the biggest one by a factor of three and gave a brief look of what this will entail. He asked the Council to take a look at the site plan, stating that this would be on the east side of the existing plant with 82,000 sq. ft. and will be a two-story building. He stated that in terms of local contractors, 80-90% of the work will be done by local people. He noted that they were working with the Chattanooga Christian School that is located on Broad St.

Mr. Bosworth went on to show the first floor of the building where the product will be put in bottles and capped and then shipped. There will be State of the Art equipment. The second point he wanted to make concerned the empty space, which they intended to fill in 2011 with Kaopectate, and this will give them extra capacity. He noted that they would also fill products on the second floor, which will allow for an efficient manufacturing flow. He stated that they were trying to be aesthetically and environmentally responsible, with a very efficient flow; that in terms of people, training would be required.

Mr. Hiatt mentioned partnering with Tenn. Economic and Commercial Development, noting that the City and County partner with the State and the Federal Government, mentioning a \$600,000 infrastructure site.

Councilman Rico stated that this was in his district; that he knew Chattem and was thankful for them.

Adm. Zehnder added that there was not a better company in town than Chattem.

Chairman Scott asked if anyone was against this; there being none, the meeting was adjourned.