

AGENDA

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

Monday, July 1, 2024 @ 11:00 AM

1. Call meeting to order.
2. Confirmation of Meeting Advertisement and Quorum Present.
3. Election of Officers (Chair/Vice-Chair/Secretary/Assistant Secretary).
4. Minutes approval for the June 3, 2024, monthly meeting.
5. Recognition of any person wishing to address the Board.
6. Presentation of the Volkswagen Funding Progress Summary and the Economic Development Programs Summary by Eleanor Liu.
7. **HomeServe PILOT**

A resolution authorizing the Chair or Vice-Chair to execute a Right of Entry on a temporary basis for certain real property located at 7134 Lee Highway, Chattanooga, TN, identified as Tax Map No. 139P-C-007, for the purposes of conducting surveying, subsurface soil investigation, and property appraisal to obtain a new sanitary sewer easement relating to the HomeServe PILOT property.
8. **South Broad District Plan**

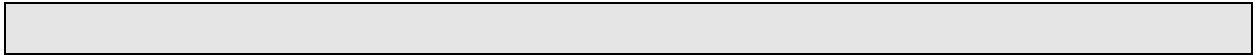
A resolution of the Board of Directors of the Industrial Development Board of the City of Chattanooga with respect to an amendment to an Economic Impact Plan for the South Broad District Plan Area as amended by Council of the City of Chattanooga.
9. **Other Business – Discussion Items**
 - Discussion by the Chattanooga Chamber regarding PILOT policies and procedures.
 - Discussion by Eleanor Liu regarding the Tennessee Comptroller of the Treasury letter for the financial report.
10. Adjournment.



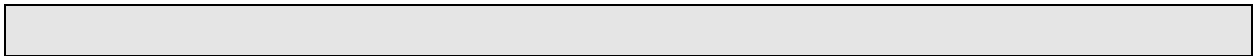
**INDUSTRIAL DEVELOPMENT BOARD
MONTHLY MEETING MINUTES
John P. Franklin Sr. City Council Building
Assembly Room
Chattanooga, Tennessee
for
Monday, June 3, 2024
11:01 AM**

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

Also Present were: Attorney for the Board, Phillip A. Noblett; Gail Hart (Real Property); Mike Pare (Times-Free Press); Paul Boylan and Eleanor Liu (Finance); Bill Payne (Public Works); and Nick Nichols (Nichols Fleet Equipment).

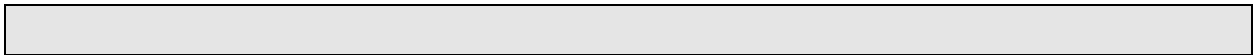


Chairman Hayes called the meeting to order, confirmed the meeting was duly advertised, and established that a quorum was present to conduct business.



SPECIAL MONTHLY MEETING OF MARCH 25, 2024 – MINUTES APPROVAL

On motion of Mr. Adkins, seconded by Mr. Floyd, the minutes summary of the March 25, 2024, special monthly meeting was unanimously approved.



PUBLIC COMMENTS

No one from the public had comments.



On motion of Mr. Rodgers, seconded by Mr. Adkins,

A RESOLUTION AUTHORIZING AN AWARD OF A GROWING SMALL BUSINESS INCENTIVE GRANT TO NICHOLS FLEET EQUIPMENT, INC., IN THE AMOUNT OF \$10,000.00. (SBI-29)

Mr. Nick Nichols introduced himself as Vice-President with Nichols Fleet Equipment, Inc. Their new address is 2805 Riverport Road in Chattanooga. Nichols Fleet Equipment, Inc. has been a local company since founding in 1991. They are an upfitter of truck-mounted equipment. They take truck chassis, frame rails, and help fit it with equipment. The primary function of the equipment they put on the trucks and sell to their customers is for field service of heavy equipment. Our customers would be anyone that is running heavy equipment on job sites. That could be the heavy equipment dealers, the CAT dealers, the Komatsu dealers, the Deere Dealers. They will sell to large rental companies that are sending field service technicians out to perform maintenance on equipment on job sites. They do a lot with TVA, the utilities. Those are essentially the things they get into.

Examples on the slide showed two primary trucks. Field service mechanics' trucks who have bodies with compartments that a mechanic will put tools and parts on that are needed to go out and perform maintenance work. If you are out running a big excavator and the excavator breaks, it is not practical to pick it up and take it back to the shop to work on it. The mechanics will do the work onsite. It may have a welder on it to weld a shovel on an excavator. It will have a crane if they need to pull an engine block out of a machine. That is essentially what those do. There are two examples of two fuel and lube trucks. A gas station and oil change station on a vehicle. These trucks are going to go out on job sites to perform oil changes on equipment and fuel up the equipment. It is all about uptime for the end user and keeping the big machines up and running, building roads and houses, some other examples of cranes, and pulling fire hydrants. In large part it is designed to go out and perform that maintenance work on equipment in the field whether it is a giant bulldozer, excavator, or pulling fire hydrants. The equipment is also customized.

Mr. Nichols' father founded the company in 1991. He was working for another related company that was based out of Atlanta which went out of business. The company was a one man show in 1991. In 1997, another facility was built in East Lake until March of 2024. The growth continued. Mr. Nichols' brother and he joined the company. They outgrew their East Lake facility. They leased a building in St. Elmo for five years. In December of 2022, after a couple of false starts due to COVID, they broke ground on a new facility in the Industrial Park on Amnicola in March of 2024. When they broke ground, they almost doubled their employee talent since in the new building. Slides of the new building were shown. They had 150 chassis on their lot waiting to be upfitted. They have a paint booth and do sprays in the back of pickup trucks and decal wraps.

The total number of employees is just above 40 full-time. They have plenty of veterans that work for the company, about four or five. They are proud to have their veterans.

They do very little manufacturing and are largely an assembler. The two largest manufacturers are companies outside of Iowa that make cranes. They are a distributor for them. They are assemblers and do not manufacture this equipment. They get into small fabrication almost daily. It is skilled and trainable labor.

Attorney Noblett said that he was concerned about the fire hydrant lift. Mr. Nichols said Tennessee American may have two of those. Water leaks are a pretty big thing. They have done some things with Hixson Utility and Catoosa. They get into the local utilities from time to time. American Water has become a bigger account for them and has expanded on to Maryland and Virginia. We have three different water companies in Chattanooga.

They are always hiring. They have ads running now. They found when they moved into the new building, they were able to very quickly get in there. Production has increased and have been able to put up more trucks than ever. We need to build up the support side and look for help in shipping and receiving, help in the warehouse, help in the retail parts side. E-commerce is a big opportunity. They have three or four jobs posted and are always looking for good technicians to build the trucks.

A lot of the big fleet accounts are regional. They do work with a company who makes caterpillars for East Tennessee. They send trucks for them all over Tennessee. One of their largest accounts is H&E Equipment Rentals, based out of Baton Rouge, and has a branch in Chattanooga and all over the country.

Mr. Freeman said that the grant is the City's longest running small business incentive tool used now for almost 10 years. It basically provides a cash award for companies that have created at least five full-time jobs and also has the potential to provide a little bit of reimbursement for companies that not only have created at least five full-time jobs but that have also secured some equipment or to be reimbursed for. The maximum award amount for any given award is \$10,000 which is before the Board today. This has been the most popular city grants program and also the longest running and tailor made for smaller businesses. Businesses that exceed 100 employees are not eligible to apply for this grant.

The motion carried.



OTHER BUSINESS – DISCUSSION ITEM

FYI - Review Tennessee Comptroller of the Treasury letter regarding the financial report.

Chairman Hayes said it is noted that this item has been discussed to our best ability. If the Comptroller wants to share anything else with us in the future -- Attorney Noblett said that we received a copy of the letter on April 15th in the packet. Henderson, Hutcherson has been doing our accounting work for the Board. The reason we thought it was something important is that it said that the following was observed during the review of the financial report and the

Statement of Net Position reported a deficit unrestricted net position balance of \$221,000 at year end and management should take steps to ensure this deficit is eliminated. That was the reason this was brought up to the Board for review. It may just be simply an accounting method that we have with the City that is causing that to occur. They were using the Gatsby (sic) Method.

Ms. Liu said that dollar amount is recording a liability on three TIFs. The third TIF was East Chattanooga Rising we have a payment due of first year \$221,000, second year \$141,000, but at the same time the TIF payments came in and that is the \$10,000 first year and the second year is \$14,000. There is a big difference in what we see, and what we are able to send out with what is due. Ms. Liu recorded that payable. Eventually the tax income will cover all of that interest expense. For one reason or another, this entry can be suspended and can be moved. Ms. Liu was hoping someone else would tell her there was a sound reason for this. Until that happens, she does not know what to do. The fiscal year is ending and she is about to do the same thing again unless someone tells her the accounting method. Hopefully this can be discussed.

Ms. Liu said that she would need to hear from the accountant along with Attorney Noblett who was part, the CFO, and our attorney Mark Mamantov. He is very experienced in the TIF procedures. We are hoping to hear from him of what he can provide help with similar solutions.

Chairman Hayes said that the Board should respond to the letter and encourages Ms. Liu to meet and come to some resolution about how to handle this and maybe discuss at our next meeting. Chairman Hayes would be happy to sign a letter to respond to the Comptroller's concerns. Chairman Hayes said it is not a big deal but wants to make sure that this is discussed properly and addressed in writing.

Mr. Rodgers asked that we table this topic and put it on the next agenda to stay on top of it. The Comptroller is talking about a fair presentation. This is pretty important. Chairman Hayes will be happy to make sure this stays on the agenda for next month. Chairman Hayes does not believe the Board needs to take any action but wants to make sure Ms. Liu understands what we are talking about and doing before we issue any kind of response. Let us make sure we have some conclusion on it by next month if possible.

Attorney Noblett said for simplicity purposes as well, tax increment financing is involved whenever you have large improvements that may be made and they are asking for that to come back from the tax sources this Board has approved. Until the taxation amounts increase for the property that is the issue. It may just be a timing thing that is causing that to occur.

Chairman Hayes wanted to note that the next meeting is scheduled for the 1st of July which is when we are to vote on our Chair and Vice-Chair. Please make sure that is on your calendars, and we need to have a quorum for that.

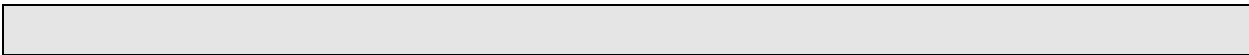
DISCUSSION ON PILOT POLICIES AND PROCEDURES

Mr. Rodgers said that he noticed in the minutes where it talks about the update on PILOT policies and procedures that we are expected to have a draft at our May meeting and we did not have and we are now in June.

Mr. Freeman said that they are anticipating that a draft will come before the Board at the July meeting. During our last session, the Board expressed some interest in being able to communicate with their City Council representatives for the same districts. As the Board has done that, the Administration of the Department of Economic Development use that time to not only to do work on the PILOT policies but also have been engaged in and involved in several things that are not related to PILOT policies regarding workforce development and affordable housing initiatives the Administration is pursuing.

Mr. Freeman said to please note that the Deputy Secretary of the U.S. Department of Energy was here on Friday to give praise on a company called Novonix which was originally based in Lookout Valley but has now expanded to a downtown facility in the building that houses the former Alstom plant. Novonix is growing, and they are now the recipient of a large amount of federal assistance from the U.S. Department of Energy as they continue to manufacture, expand, and grow their synthetic graphite manufacturing structure which is used to produce graphite for electric vehicles and electric cars.

As we work on our PILOT policies, Mr. Freeman wanted to remind the Board that the success that Novonix is enjoying today does not happen in a vacuum. Novonix was a PILOT recipient that this Board issued a PILOT to in 2021. It was the first jobs PILOT of the Kelly Administration. When we come to the Board and ask for assistance in helping to further economic development for jobs in our community, Novonix is a great example of how all of those pieces fit together. We do anticipate that we will come back to the Board with the Chamber's help with the final draft of the final policies for the July meeting.



There being no further business, on motion of Mr. Parker, seconded by Ms. Jones, the meeting adjourned at 11:30 AM.

GORDON PARKER, *Secretary*

APPROVED:

KERRY HAYES, *Chair*

CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD
ECD - VOLKSWAGEN INCENTIVE PROJECT
VW FUNDING PROGRESS SUMMARY
As of June 20, 2024

FIRST MOU	Final Grant Budget Amount	PJTD Expenditures As of June 20, 2024	Encumbrances As of June 20, 2024	Available Budget (Over Expenditures & Encumbrances)	% Spent, Encumbered & Contingencies	Grant Status
6.1 Site Preparation - State	92,919,998	92,919,998	-	-	100.00%	Ended 6/30/2015
6.2 Infrastructure - State	72,795,525	72,795,525	-	-	100.00%	Ended 6/30/2015
7.4 Training Facility - State	39,995,942	39,995,942	-	-	100.00%	Ended 6/30/2015
9.10 Marketing & Public Relations - State	1,965,905	1,965,905	-	-	100.00%	Ended 4/30/2017
TOTAL STATE FUNDING	207,677,370	207,677,370	-	-	100.00%	

6.2 Infrastructure - Local (Hamilton County & City of Chattanooga)	40,000,000	39,946,743	-	53,256	99.87%	Ongoing
9.5 Welcome Center - Local (VW decided not to build it)	-	-	-	-	N/A	
TOTAL LOCAL FUNDING	40,000,000	39,946,743	-	53,257	99.87%	

TOTAL FUNDING	247,677,370	247,624,113	-	53,257	99.98%	
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SECOND MOU	Final Grant Budget Amount	PJTD Expenditures As of June 20, 2024	Encumbrances As of June 20, 2024	Available Budget (Over Expenditures & Encumbrances)	% Spent, Encumbered & Contingencies	Grant Status
3.1 Facility Development - State	168,877,867	168,877,867	-	-	100.00%	Ended 3/6/2020
TOTAL STATE FUNDING	168,877,867	168,877,867	-	-	100.00%	

VW SUV - Local (Hamilton County & City of Chattanooga)	52,500,000	52,048,430	-	451,570	99.14%	Ongoing
TOTAL LOCAL FUNDING	52,500,000	52,048,430	-	451,570	99.14%	

TOTAL FUNDING	221,377,867	220,926,297	-	451,570	99.80%	
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THIRD MOU & LETTER OF INTENT (LOI)	Final Grant Budget Amount	PJTD Expenditures As of June 20, 2024	Encumbrances As of June 20, 2024	Available Budget (Over Expenditures & Encumbrances)	% Spent, Encumbered & Contingencies	Grant Status
Electric Vehicle Expansion - State	50,000,000	50,000,000	-	-	100.0%	Ended 1/10/2024
TOTAL STATE FUNDING	50,000,000	50,000,000	-	-	100.0%	

Electric Vehicle Expansion (Hamilton County & City of Chattanooga)	5,000,000	-	-	5,000,000	0.00%	Ongoing
TOTAL LOCAL FUNDING	5,000,000	-	-	5,000,000	0.00%	

TOTAL FUNDING	55,000,000	50,000,000	-	5,000,000	90.91%	
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FIRST MOU, SECOND MOU, THIRD MOU & LOI	Final Grant Budget Amount	PJTD Expenditures As of June 20, 2024	Encumbrances As of June 20, 2024	Available Budget (Over Expenditures & Encumbrances)	% Spent, Encumbered & Contingencies
TOTAL FUNDING	524,055,237	518,550,410	-	5,504,827	98.95%

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
VW FUNDING PROGRESS SUMMARY
As of June 20, 2024**

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 Mar 15, 2024	Current Expenditures	PJTD Expenditures As of June 20, 2024	Encumbrances As of June 20, 2024	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	% Spent, Encumbered & Contingencies
6.1 Site Preparation - State ¹	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 ¹	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 ¹	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	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 ²	40,000,000	-	40,000,000	N/A	40,000,000	39,946,743	-	39,946,743	-	53,256	99.87%	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%	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%	99.98%

¹ 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.

² 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 Mar 15, 2024	Current Expenditures	PJTD Expenditures As of June 20, 2024	Encumbrances As of June 20, 2024	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	% Spent, Encumbered & Contingencies
3.1 Facility Development - State ³	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	52,048,430	-	52,048,430	-	451,570	99.14%	99.14%
TOTAL LOCAL FUNDING	52,500,000	-	52,500,000	N/A	52,500,000	52,048,430	-	52,048,430	-	451,570	99.14%	99.14%
TOTAL IDB FUNDING FOR SECOND MOU	218,278,000	3,099,867	221,377,867	N/A	221,377,867	220,926,297	-	220,926,297	-	451,570	99.80%	99.80%

³ State grant 3.1 ended on 3/6/2020

THIRD 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 Mar 15, 2024	Current Expenditures	PJTD Expenditures As of June 20, 2024	Encumbrances As of June 20, 2024	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	% Spent, Encumbered & Contingencies
Electric Vehicle Expansion ⁴	50,000,000	-	50,000,000	N/A	50,000,000	50,000,000	-	50,000,000	-	-	100.0%	100.0%
TOTAL STATE FUNDING	50,000,000	-	50,000,000	N/A	50,000,000	50,000,000	-	50,000,000	-	-	100.0%	100.0%
Electric Vehicle Expansion	5,000,000	-	5,000,000	N/A	5,000,000	-	-	-	-	-	0.00%	0.00%
TOTAL LOCAL FUNDING	5,000,000	-	5,000,000	N/A	5,000,000	-	-	-	-	-	0.00%	0.00%
TOTAL IDB FUNDING FOR THIRD MOU	55,000,000	-	55,000,000	N/A	55,000,000	50,000,000	-	50,000,000	-	-	90.91%	90.91%

⁴ State grant ended on 1/10/2024

FIRST & SECOND & THIRD 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 Mar 15, 2024	Current Expenditures	PJTD Expenditures As of June 20, 2024	Encumbrances As of June 20, 2024	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	% Spent, Encumbered & Contingencies
TOTAL IDB FUNDING FOR FIRST & SECOND & THIRD MOU	510,859,064	16,300,117	527,159,181	(3,103,945)	524,055,237	518,550,410	-	518,550,410	-	504,827	98.95%	98.95%

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
 STATE FUNDING PROGRESS REPORT - FIRST MOU
 As of June 20, 2024

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 Mar 15, 2024	Current Expenditures	PJTD Expenditures As of June 20, 2024	Encumbrances As of Mar 15, 2024	Change in Encumbrances	Encumbrances As of June 20, 2024	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	% 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 June 20, 2024

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 Mar 15, 2024	Current Expenditures	PJTD Expenditures As of June 20, 2024	Encumbrances As of Mar 15, 2024	Change in Encumbrances	Encumbrances As of June 20, 2024	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	% 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 June 20, 2024

Description	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Grant Budget Amount	PJTD Expenditures As of Mar 15, 2024	Current Expenditures	PJTD Expenditures As of June 20, 2024	Encumbrances As of Mar 15, 2024	Change in Encumbrances	Encumbrances As of June 20, 2024	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	% 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%	99.31%
TOTAL 6.2 INFRASTRUCTURE - LOCAL FUNDING	40,000,000	-	40,000,000	39,946,743	-	39,946,743	-	-	-	53,256	99.87%	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%	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 June 20, 2024

		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	Capital Purchase (Roof Sign)	209,120	209,120	-	-	-	-			
Z00703	Capital Purchase & Professional Fees (Admin & Planning)	11,397	11,397	-	-	-	-			
Z00704	Professional Fees, Grant & Award (Education partnership)	1,000,000	1,000,000	-	-	-	-			
Z00705	Salaries, Benefits & Taxes (Plant Tours)	27,117	27,117	-	-	-	-			
Z00706	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 June 20, 2024

		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 FUNDING		39,946,743	39,946,743	-	-	-	-	-	-	
Z00801	Welcome Center	-	-	-	-	-	-			
TOTAL 9.5 WELCOME CTR LOCAL FUNDING		-	-	-	-	-	-	-	-	
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 June 20, 2024

Description	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Grant Budget Amount	PJTD Expenditures As of Mar 15, 2024	Current Expenditures	PJTD Expenditures As of June 20, 2024	Encumbrances As of Mar 15, 2024	Change in Encumbrances	Encumbrances As of June 20, 2024	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	% 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%	85.46%
Manufacturing Equipment	140,635,000	(677,937)	139,957,063	144,162,926	-	144,162,926	-	-	-	(4,205,863)	103.01%	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 June 20, 2024

Description	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Grant Budget Amount	PJTD Expenditures As of Mar 15, 2024	Current Expenditures	PJTD Expenditures As of June 20, 2024	Encumbrances As of Mar 15, 2024	Change in Encumbrances	Encumbrances As of June 20, 2024	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	% 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%	99.64%
VW SUV B Planning Costs	7,425,329	578,553	8,003,882	7,863,634	-	7,863,634	-	-	-	140,248.00	98.25%	98.25%
VW SUV B Contingency	1,085,098	(1,085,098)	-	-	-	-	-	-	-	-	0.00%	0.00%
VW SUV B Site Preparation	3,099,867	(2,696,387)	403,480	111,517	-	111,517	-	-	-	291,963	27.64%	27.64%
TOTAL 6.1 VW SUV - LOCAL FUNDING	52,500,000	-	52,500,000	52,048,430	-	52,048,430	-	-	-	451,570	99.14%	99.14%
TOTAL LOCAL FUNDINGS (Managed by IDB)	52,500,000	-	52,500,000	52,048,430	-	52,048,430	-	-	-	451,570	99.14%	99.14%

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 June 20, 2024										
		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	7,863,634.37	7,863,634.37	-	-	-	-		-	
Z00919	VW SUV B Contingency	-	-	-	-	-	-			
Z00920	VW SUV B Site Preparation	111,517.33	111,517.33	-	-	-	-	-		
TOTAL 1.1 VW SUV - LOCAL FUNDING		52,048,430	52,048,430	-	-	-	-	-	-	
Contingency										
		This Report	Last Report	Change	Comments					
Z00919	VW SUV B Contingency	-	-	-						
TOTAL		220,926,297	220,926,297	-	-	-	-	-	-	

CITY OF CHATTANOOGA INDUSTRIAL DEVELOPMENT BOARD
 ECD - VOLKSWAGEN INCENTIVE PROJECT
 STATE FUNDING PROGRESS REPORT - THIRD MOU
 As of June 20, 2024

Description	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Grant Budget Amount	PJTD Expenditures As of Mar 15, 2024	Current Expenditures	PJTD Expenditures As of June 20, 2024	Encumbrances As of Mar 15, 2024	Change in Encumbrances	Encumbrances As of June 20, 2024	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	% Spent, Encumbered & Contingencies
State 3rd MOU Electric Vehicle Expansion	50,000,000	-	50,000,000	50,000,000	-	50,000,000	-	-	-	-	100.00%	100.00%
TOTAL STATE FUNDING	50,000,000	-	50,000,000	50,000,000	-	50,000,000	-	-	-	-	100.00%	100.00%

----- GRANT ENDED 1/10/2024 -----

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 - THIRD MOU
 As of June 20, 2024

Description	Original Grant / Contract Budget	Grant / Contract Budget Adjustment	Final Grant Budget Amount	PJTD Expenditures As of Mar 15, 2024	Current Expenditures	PJTD Expenditures As of June 20, 2024	Encumbrances As of Mar 15, 2024	Change in Encumbrances	Encumbrances As of June 20, 2024	Available Budget (Over Expenditures & Encumbrances)	% Spent and Encumbered	% Spent, Encumbered & Contingencies
Local 3rd MOU Electric Vehicle Expansion	5,000,000	-	5,000,000	-	-	-	-	-	-	5,000,000	0.0%	0.0%
TOTAL LOCAL FUNDING	5,000,000	-	5,000,000	-	-	-	-	-	-	5,000,000	0.00%	0.00%

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

Changes Since Prior Report - THIRD MOU										
As of June 20, 2024										
		Expenditures		Encumbrances		Change				
		This Report	Last Report	This Report	Last Report	Expenditures	Encumbrances	Actual	Encumbrance	Comments
Z11302	State 3rd MOU Electric Vehicle	50,000,000.00	50,000,000.00	-	-	-	-			
TOTAL STATE FUNDING		50,000,000	50,000,000	-	-	-	-	-	-	Grant ended 1/10/2024
Z11301'	Local 3rd MOU Electric Vehicle Expansion	-	-	-	-	-	-			
TOTAL LOCAL FUNDING		-	-	-	-	-	-	-	-	

IDB - TAX INCREMENT FINANCING (TIF) SUMMARY

PJTD EBS & CLOUD (Since inception)

As of 6/20/2024

Acct	Description	NR09	NR09	NR23	NR24		NR25		NR27		TOTAL
		Black Creek Tax Payments Z00302	MLK Tax Payments Z00311	East Chatt Rising Tax Payments Z00316	N. River Com. Ctr. Tax Payments Z00319	Developer Z00320	Sports Authority Tax Payments Z00321	Developer	The Bend Area Tax Payments Z00322	Developer	
101101	Interfund Cash		101,410.44	19,841.89	1,500.00			-		8,000.00	130,752.33
125105	AR Miscellaneous		-	-	-			-		-	-
201101	Accounts Payable		-	-	-			-		-	-
201103	AP Miscellaneous		-	-	-			-		-	-
241301	AP Hamilton County		-	-	-			-		-	-
201132	AP Accruals		-	-	-			-		-	-
212103	AP Interest - TIF Loan		-	(313,557.05)	-			-		-	(313,557.05)
513143	TIF Application Fee	-	1,500.00	-	1,500.00	-		-		8,000.00	11,000.00
523109	* Ham Co TIF Payment	1,449,547.59	819,752.55	22,364.79	-			-		-	2,291,664.93
524106	* City TIF Payment	3,200,851.92	1,363,575.78	52,790.80	-			-		-	4,617,218.50
536122	** TIF Admin Fee (City)	-	104,703.66	1,449.18	-			-		-	106,152.84
536123	IDB TIF Developer Project Revenue	-	-	-	-	8,754,000.00		-		-	8,754,000.00
782211	Interest expense	-	-	349,611.11	-	-		-		-	349,611.11
782215	IDB TIF Developer Project Expense	-	-	-	-	8,754,000.00		-		-	8,754,000.00
782601	TIF Agency	4,041,763.96	1,944,126.76	14,768.04	-	-		-		-	6,000,658.76
782602	TIF Administrative Fee to Chattanooga	104,611.81	54,569.64	1,377.64	-	-		-		-	160,559.09
782604	TIF Debt Service Allocation to Chattanooga	301,856.08	157,265.97	(1,406.54)	-	-		-		-	457,715.51
782605	TIF Refuse Pickup to Chattanooga	137,667.18	-	5,144.19	-	-		-		-	142,811.37
782603	TIF Administrative Fee to Hamilton Co	46,071.73	22,970.88	589.64	-	-		-		-	69,632.25
782606	TIF Trustee Fee to Hamilton Co	18,428.70	9,188.35	235.85	-	-		-		-	27,852.90
	Operating income (loss)	0.05	101,410.39	(293,715.16)	1,500.00	-		-		8,000.00	(182,804.72)
			-	-	-			-		-	
	Hamilton County Payments	1,385,047.16	787,593.32	21,539.30	-	-		-		-	2,194,179.78
	City Payment	2,656,716.85	1,156,533.42	47,675.51	-	-		-		-	3,860,925.78
	Total Payments to developer	4,041,764.01	1,944,126.74	69,214.81	-	-		-		-	6,055,105.56

RESOLUTION

A RESOLUTION AUTHORIZING THE CHAIR OR VICE-CHAIR TO EXECUTE A RIGHT OF ENTRY ON A TEMPORARY BASIS FOR CERTAIN REAL PROPERTY LOCATED AT 7134 LEE HIGHWAY, CHATTANOOGA, TN, IDENTIFIED AS TAX MAP NO. 139P-C-007, FOR THE PURPOSES OF CONDUCTING SURVEYING, SUBSURFACE SOIL INVESTIGATION, AND PROPERTY APPRAISAL TO OBTAIN A NEW SANITARY SEWER EASEMENT RELATING TO THE HOMESERVE PILOT PROPERTY.

BE IT RESOLVED, that the Industrial Development Board of the City of Chattanooga is hereby authorizing the Chair or Vice-Chair to execute a Right of Entry on a temporary basis for certain real property located at 7134 Lee Highway, Chattanooga, TN, identified as Tax Map No. 139P-C-007, for the purposes of conducting surveying, subsurface soil investigation, and property appraisal to obtain a new sanitary sewer easement relating to the HomeServe PILOT property.

ADOPTED: July 1, 2024

THE INDUSTRIAL DEVELOPMENT
BOARD OF THE CITY OF CHATTANOOGA

Attest:

_____, Chair

_____, Secretary

RIGHT OF ENTRY

This Right of Entry Agreement (“Right of Entry”) is entered into this ____ day of _____, 2024 by and between The Industrial Development Board of the City of Chattanooga (“Grantor”), and the City of Chattanooga, a municipal corporation (“Grantee”).

RECITALS

WHEREAS, Grantor is the owner of certain real property (Tax Map/Parcel No. 139P-C-007) located at 7134 Lee Highway, Chattanooga, TN 37421 and more particularly described on **Exhibit “A”** attached hereto and incorporated herein by reference (the “Property”).

WHEREAS, Grantee desires to obtain the Grantor’s permission to enter onto the Property, on a temporary basis, for the purposes of conducting surveying, subsurface soil investigation, and property appraisal for the purpose of obtaining a new sanitary sewer easement;

WHEREAS, the parties desire to enter into this Right of Entry whereby the Grantor will allow Grantee to enter the Property, on a temporary basis, for the purposes stated above.

WHEREAS, Grantor desires to grant Grantee the temporary, non-exclusive use of the Property, subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing recitals, the terms and conditions set forth below, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantors and Grantee agree as follows:

1. **Right of Entry.** The Grantor hereby grants to Grantee and its agents, employees, and contractors the temporary right to enter onto the Property for the purposes stated above and for no other purpose.
2. **Term.** The term of this Right of Entry shall automatically terminate within twelve (12) months of execution unless earlier terminated as provided herein. The term

may be extended by written notice to Grantee in the sole and absolute discretion of the Grantors. This Right of Entry is subordinate to all prior or future rights and obligations of the Grantors in the Property, except that the Grantors shall grant no rights inconsistent with the reasonable exercise by Grantee of its rights under this Right of Entry.

3. **Liens.** Grantee shall not permit to be placed against the Property or any part thereof, any design professionals', mechanics', materialmen's, contractors', or subcontractors' liens with regard to Grantee's actions upon the Property.
4. **Compliance with Laws/Permits.** Grantee shall, in all activities undertaken pursuant to this Right of Entry, comply and cause its contractors, agents, and employees to comply with all federal, state, and local laws, statutes, orders, ordinances, rules, regulations, plans, policies, and decrees. Without limiting the generality of the foregoing, Grantee, at its sole cost and expense, shall obtain any and all permits which may be required by any law, regulation or ordinance for any activities Grantee desires to conduct or have conducted pursuant to this Right of Entry.
5. **Inspection.** The Grantors may enter the Property complying with all safety rules and regulations thereon from time to time at reasonable times to verify Grantee's compliance with the terms and conditions of this Right of Entry.
6. **No Real Property Interest.** It is expressly understood that this Right of Entry does not in any way whatsoever grant or convey any permanent easement, lease, fee or other interest in the Property to Grantee. This Right of Entry is not exclusive and the Grantors specifically reserves the right to grant other rights of entry within the vicinity of the Property.

7. **Liability and Workers' Compensation Insurance/Indemnification.** Subject to the provisions of the Tennessee Governmental Tort Liability Act, T.C.A. § 29-20-101 *et seq.* ("TGTLA"), Grantee shall defend, and if found liable, be responsible for paying damages, subject to the limits of liability pursuant to the TGTLA, arising from third party claims, suits, liabilities and judgments for personal injuries or damage to property or financial loss, caused by the negligent acts or omissions of its employees arising out of this Agreement, excepting to the extent any such injury, damage or loss is caused, in whole or part, by the negligence or fault of the Grantor.
8. **General Liability Insurance.** Grantee is self-insured as evidenced by the Certificate of Insurance attached as **Exhibit "B."**
9. **Approval/Consent.** Each party hereby represents to the other that all approvals and consents have been obtained authorizing the execution of this Right of Entry by such parties.
10. **Termination.** This Right of Entry may be terminated at any time by either party upon thirty (30) days' prior notice in writing to be served upon the other party.
11. **Restoration of the Property.** Upon the termination of this Right of Entry, Grantee shall, at its sole cost and expense, restore the Property to as near the same condition in which it was prior to Grantee's entry.
12. **Notices.** Any notices, requests, and demands, or other communications required or committed under this Right of Entry shall be in writing and shall be effective upon receipt:

If served personally, if sent by first class mail, registered or certified, postage prepaid, or if sent by a national recognized overnight delivery service, paid by the sending party and addressed as follows:

Grantor: The Industrial Development Board of the City of Chattanooga
100 E. 11th Street, Suite 200
Chattanooga, TN 37402

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

With a copy to: City Attorney
Office of the City Attorney
100 East 11th Street, Suite 200
Chattanooga, TN 37402

Any party may change its address for notices under this Right of Entry by giving written notice of such change to the other party in accordance with the terms of this paragraph.

13. **Continuing Liability.** No termination of this Right of Entry shall release Grantee from any liability or obligation hereunder resulting from any acts, omissions or events prior to the termination of this Right of Entry in restoration of the Property to its prior condition.
14. **Attorney's Fees.** In the event of a dispute between the parties with respect to the terms or conditions of this Right of Entry, the prevailing party shall be entitled to collect from the other its reasonable attorney's fees.
15. **Severability.** If any provision of this Agreement becomes or is found to be illegal or unenforceable for any reason, such cause or provision must first be modified to the extent necessary to make this Right of Entry legal and enforceable and then, if necessary, severed from the remainder of the Right of Entry to allow the remainder of this Right of Entry to remain in full force and effect.

16. **Miscellaneous Provisions.**

- a. Grantors and Grantee acknowledge and agree that the terms and conditions set forth herein constitute the complete and entire agreement between them concerning this Right of Entry and no other agreements, representations or warranties have been made by or between them other than as set forth herein.
- b. This Right of Entry may not be modified except by a document in writing. This Right of Entry is binding upon, and enforceable by the parties hereto and their respective successors and assigns.
- c. This Right of Entry shall be governed by and construed in accordance with the laws of the State of Tennessee.
- d. This Right of Entry may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one in the same instrument.

IN WITNESS WHEREOF, Grantors and Grantee have set their hands by and through their respective duly authorized representative as of the date first above stated.

GRANTOR

THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF CHATTANOOGA

By: _____
Printed Name: _____
Title: _____

GRANTEE

CITY OF CHATTANOOGA, TENNESSEE

By: _____
Printed Name: _____
Title: _____

EXHIBIT 'A'



Legend

□ Parcels

0 136.94 273.9 Feet

NAD_1983_StatePlane_Tennessee_FIPS_4100_Feet
© Latitude Geographics Group Ltd.



City of Chattanooga
Human Resources Department

Mande Lawrence, Chief HR Officer

Tim Kelly, Mayor

CERTIFICATE OF SELF-INSURANCE

This is to certify that the City of Chattanooga Government is a self-insurer in accordance with the Tennessee Governmental Tort Liability Act.

The funded Self-Insurance Plan is established under the provisions of the Tennessee Governmental Tort Liability Act, T.C.A. § 29-20-403, et. seq., which establishes the limits of liability for governmental entities in the State of Tennessee. For all claims against a self-insuring governmental entity, the Act establishes a maximum limit of liability of Three Hundred Thousand (\$300,000.00) Dollars for bodily injury or death of any one (1) person in any one (1) accident, occurrence or act, and Seven Hundred Thousand (\$700,000.00) Dollars for bodily injury or death of all persons in any one (1) accident, occurrence or act, and One Hundred Thousand (\$100,000) Dollars for injury or destruction of property of others in any one (1) accident, occurrence or act. The provisions of the above limits shall apply to any action arising on or after July 1, 2007.

A handwritten signature in blue ink, which appears to read 'Michael Anthony', is written over a horizontal line.

Michael Anthony
Director of Safety, Compliance, & Risk Management

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA WITH RESPECT TO AN AMENDMENT TO AN ECONOMIC IMPACT PLAN FOR THE SOUTH BROAD DISTRICT PLAN AREA AS AMENDED BY COUNCIL OF THE CITY OF CHATTANOOGA

WHEREAS, the Industrial Development Board of the City of Chattanooga (the "Board") has previously submitted to the Council of the City of Chattanooga, Tennessee (the "City") an economic impact plan (the "Plan") regarding the development of an area consisting of more than 450 acres located south of downtown Chattanooga, Hamilton, County, Tennessee identified as the South Broad District Plan Area (the "Plan Area"); and

WHEREAS, the form of a proposed amendment was presented to the Board (the "Amendment"), which Amendment clarified and revised the eligible uses of incremental property tax revenues from the City and Hamilton County (the "County") derived from the Plan Area; and

WHEREAS, the Board held a public hearing related to the Amendment and then submitted the Amendment for approval to the Council of the City; and

WHEREAS, when the Council of the City approved the Amendment, Council amended the Amendment in connection with that approval, which amendment is shown in the redlined version of the Amendment attached hereto as Exhibit A.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Industrial Development Board of the City of Chattanooga as follows:

RESOLVED, that the Amendment, as amended by Council of the City as shown on Exhibit A, is hereby approved; and further

RESOLVED, that the officers of the Board are hereby authorized to take all appropriate action to carry out the terms of the Plan as so amended.

I hereby certify that attached hereto is a resolution of the Industrial Development Board of the City of Chattanooga, duly and lawfully adopted by its Board of Directors on July 1, 2024, at a meeting at which a quorum was acting throughout and I furthermore certify that such resolution has not been amended or modified in any respect.

**INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF CHATTANOOGA**

By: _____
Name: _____
Title: _____

Attested:

_____, Secretary

EXHIBIT A

Amendment

See attached.

45119198.2

**INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF CHATTANOOGA**

**AMENDMENT TO THE ECONOMIC IMPACT PLAN FOR THE DEVELOPMENT OF
THE SOUTH BROAD DISTRICT PLAN AREA**

I. Background

The Economic Impact Plan for the Development of the South Broad District Plan Area (the “Plan”) was approved by the City Council of the City of Chattanooga, Tennessee (the “City”) on August 9, 2022. All capitalized terms used in this Amendment but not otherwise defined herein shall have the meanings set forth in the Plan.

The Industrial Development Board of the City of Chattanooga (the “Board”) has submitted this Amendment to the Plan to the City in order for the City to clarify the application of the financial assistance that will be available for the Project from the proceeds of the tax increment financing described in the Plan.

II. Amendment to the Plan

The Plan is hereby amended by deleting the provisions of Section IV in their entirety and restating them as follows:

The Board will provide financial assistance to the Project in the manner described in this Section. Pursuant to the IDB Act, the Board may apply the Tax Increment Revenues in furtherance of promoting economic development in the City. The Board intends to enter into an intergovernmental agreement with the Sports Authority pursuant to which the City IDB would pay a portion of the tax increment revenues, as received, together with certain tax increment revenues received from The Industrial Development Board of the County of Hamilton, Tennessee (the “County IDB”) as described below, to the Sports Authority in order to promote economic development. The Sports Authority would use that portion of Tax Increment Revenues, together with the tax increment revenues received from the County IDB, to pay debt service on bonds or other obligations of the Sports Authority incurred to finance the Project.

The Board is also hereby authorized to issue one or more tax increment notes in an aggregate principal amount not to exceed \$26 million (the “Notes”) and contribute the proceeds thereof to the Sports Authority to further assist in the financing of the Project. The Notes shall be payable as set forth below.

The County and the City are expected to enter into an intergovernmental agreement pursuant to which the County and the City will agree to provide financial assistance to the Sports Authority to the extent the Tax Increment Revenues and other sources received by the Sports Authority, including without limitation a proportionate contribution of tax increment revenues from the County IDB (the “County Tax Increment Contribution”), are insufficient to pay debt service on the bonds or other obligations of the Sports Authority issued to finance the Project. The Sports Authority bonds are expected to be issued in two series: (1) the first series (which shall be issued as bonds and may be further divided into a taxable and tax-exempt series) shall be issued with a par amount not in excess of \$80 million, and with interest rates that result in a true interest cost not greater than 6% (the “Senior Bonds”), and (2) the second series (which may be issued as a note or a bond) shall be issued with a par amount not in excess of \$5 million (the “Subordinate Bond”). The City Tax Increment Revenues shall first be pledged and made available to the Sports Authority in each year, together with the County Tax Increment Revenues and other

available sources to the payment of debt service, to provide for the payment of debt service on the Senior Bonds.

Any excess City Tax Increment Revenues thereafter remaining in a year shall be used to provide for the payment of debt service on the Subordinate Bond in such year. The City is expected to enter into an interlocal agreement with the Sports Authority pursuant to which the City would pledge and provide certain City moneys as additional credit support for the payment of the Subordinate Bond, in the event remaining City Tax Increment Revenues are insufficient therefor.

Subject to the following paragraph, any excess City Tax Increment Revenues thereafter remaining in a year shall be used to provide for the payment of debt service on Notes, and any excess City Tax Increment Revenues remaining after payment of debt service on the Notes shall be returned to the City.

~~City Tax Increment Revenues equal to the positive difference obtained by subtracting (i) the dollar amount attributable to the City Percentage (as defined below) in such year from (ii) the dollar amount resulting from multiplying 25% by the incremental City property taxes collected in such year within the applicable portion of the Plan Area, shall be transferred to the Sports Authority for deposit to a capital reserve fund to be maintained for the funding of capital repairs and improvements to the Stadium in such amounts as are provided in the documents pursuant to which the Senior Bonds are issued. With the consent of the holder(s) of the Notes, such amounts shall be so applied prior to the payment of debt service on the Notes, and if the holder(s) of the Notes do not so consent, such amounts shall be applied after payment of the debt service on the Notes.~~

Notwithstanding the foregoing and the provisions of Section VI below, the City Percentage (as defined below), irrespective of the amount of City property taxes allocated to debt service, shall not be less than 25%, provided that the chief financial officer of the City is directed pursuant to Tenn. Code Ann. § 9-23-103(g) to establish the debt service amount in a manner such that the debt service amount would not exceed 25% if permitted by applicable law.

In the event the Sports Authority determines that is necessary for the Board to memorialize the payment obligation described above with respect to the Senior Bonds and/or the Subordinate Bond, the Board is also authorized, in lieu of making payments of Tax Increment Revenues as provided in the preceding paragraph, to borrow funds from the Sports Authority to finance costs of the Project and to contribute the proceeds of such borrowing back to the Sports Authority to pay costs of the Project. To evidence such loan, the Board is authorized to issue one or more bonds, notes or other obligation to the Sports Authority, payable solely from the Tax Increment Revenues in the manner set forth in the preceding paragraph.

III. Approval Process

This Amendment shall be subject to approval by the governing body of the City in the same manner as the Plan.



JASON E. MUMPOWER
Comptroller

April 15, 2024

Board of Directors
Industrial Development Board of the City of Chattanooga, Tennessee
100 East 11th Street, Suite 200
c/o Chattanooga City Attorney's Office
Chattanooga, TN 37402

Board of Directors:

We have reviewed the annual financial report on the Industrial Development Board of the City of Chattanooga, Tennessee for the fiscal year ended June 30, 2023, as audited by Henderson, Hutcherson and McCullough, Certified Public Accountants. As a result, this report has been filed as part of the public records of the State of Tennessee.

The audited financial statements are the responsibility of management. The following was observed during the review of the financial report.

The Statement of Net Position reported a deficit unrestricted net position balance of \$(221,621) at year end. Management should take necessary steps to ensure this deficit is eliminated.

The Notes to the Financial Statements did not disclose the schedule of changes in lease assets. Please refer to the *Codification of Governmental Accounting and Financial Reporting Standards* (2022-2023 Edition), Sections 2300.117-.118 and L20.711-5, for disclosure requirements considered essential to fair presentation.

Responsible officials should ensure that future reports submitted to our office address the above items. If you need to contact our office, please call 615.401.7810 or email Justin.Garcia@cot.tn.gov. You may also send a response to this letter to the Tennessee Comptroller of the Treasury Division of Local Government Audit, Cordell Hull Building, 4th Floor, 425 Rep. John Lewis Way N., Nashville, TN 37243.

Sincerely,

A handwritten signature in black ink that reads "Justin Garcia".

Justin Garcia
Contract Audit Review Specialist

11175

Board of Directors
Industrial Development Board of the City of Chattanooga, Tennessee
April 15, 2024
Page 2 of 2

cc: Henderson, Hutcherson and McCullough
Certified Public Accountants
1200 Market Street
Chattanooga, TN 37363